

☆RIM LPG INTELLIGENCE DAILY

★NO.4141 Jul 30 2018

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--TOKYO, 19:00 JST Jul 30 2018<Assessment Closing Time>

◎Notice

○Publication of expected JCC

On Mar 6, Rim Intelligence began publishing the expected CIF price for crude oil imported to Japan, or Japan Crude Cocktail (JCC) on our website. We post market news covering the summary of the expected JCC, as well as commentaries on the trend of Dubai crude prices and yen/dollar exchange rates, components used to determine the expected JCC, three times every month. The expected JCC has been published for more than 10 years on some of Rim daily reports including LNG, Lorry Rack and Japan Products. The expected JCC, calculated based on our long experience in price assessments and accumulated research data, has been recognized as a reliable benchmark by a wide variety of market players both within and outside Japan.

◎Rim Asia Index Monday: Propane 606.25 (-2.25) / Butane 616.25 (-7.25)

The Rim Asia Index is a reflection of the CFR Far East spot market and is calculated based on the average of 4 quotations: the first two lines for CFR Japan and the two lines for CFR China. Each line refers to the price assessment for one half-month. The front line for both CFR Japan and CFR China changes every 1st and 16th

◎RECX-22 index

RECX-22 index for Monday was 120.85, up 0.76 points from last Friday

-----Introduction of Rim reports-----

Please access the URL below for a lineup of Rim reports. You can view sample reports as well as detailed explanations on the contents:

<https://eng.rim-intelligence.co.jp/first/report>

Lineup:

Bunker Oil	Crude/Condensate	Products	
LPG	Petrochemicals	Polyolefins	
LNG	South Asia Gas (Weekly)	Daily Data	Rim Data File

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©Refrigerated Cargoes (\$/mt)				
OF0B Middle East Spot Prices				
	PROPANE			BUTANE
FOB spot prices (Aug)	+2	570-575	+2	+2 585-590 +2
FOB spot prices (Sep)	+1	574-579	+1	+1 589-594 +1
FOB premiums (Aug)	-5/	0		-5/ 0
FOB premiums (Sep)	-5/	0		-5/ 0
Aramco CP (Jul)		555		570
Expected CP (Aug)		575 +2 (568)		590 +2 (583)
Expected CP (Sep)		579 +1 (568)		594 +1 (583)
Expected CP (Oct)		580 +1 (560)		595 +1 (575)
--Figures in brackets are a cumulative monthly average in the current month--				

©Saudi CP Swaps (\$/mt)				
	PROPANE			
Aug	+2	573.00-576.00	+2	
Sep	+1	577.00-580.00	+1	
Oct	+1	578.00-581.00	+1	

OCFR Japan Spot Prices									
	(\$/mt)						**Yen/mt		
CFR Japan	PROPANE			BUTANE			PROPANE	BUTANE	
Aug 2nd-half	-1	608-610		-6	618-620 -5		70, 135	71, 256	
Sep 1st-half	-4	605-608	-4	-9	615-618	-9	69, 855	70, 976	
Sep 2nd-half	-4	605-608	-6	-9	615-618	-11	69, 855	70, 976	
prem. (Aug 2H)	-3	+33/+35	-2	-8	+28/+30	-7			
prem. (Sep 1H)	-5	+26/+29	-5	-10	+21/+24	-10			
prem. (Sep 2H)	-5	+26/+29	-7	-10	+21/+24	-12			
Japan Index		607.75	-2		617.75	-7			
Exchange rate(TTS yen/\$ as of Jul 30)							112.11		
*CFR Japan Naphtha Sep 1st-half							680.25-680.75		
*CFR Japan Naphtha prices are as of 19:00 Tokyo time.									
**including Yen 1,860 Tax									

OCFR China Spot Prices									
	(\$/mt)						*Yuan/mt		
CFR China	PROPANE			BUTANE			PROPANE	BUTANE	
Aug 2nd-half	-1	605-607		-6	615-617	-5	4,587	4,663	
Sep 1st-half	-4	602-605	-4	-9	612-615	-9	4,568	4,644	
prem. (Aug 2H)	-3	+30/+32	-2	-8	+25/+27	-7			
prem. (Sep 1H)	-5	+23/+26	-5	-10	+18/+21	-10			
China Index	604.75 -2			614.75 -7					
Exchange rate(Middle yuan/\$ as Jul 30)							6.8131		
*Yuan/mt prices include tariff and the value added tax.									

ORim Asia Index (\$/mt)				
	PROPANE			BUTANE
		606.25	-2.25	616.25 -7.25

OCumulative Monthly Average (Jul 2018) (\$/mt)				
	PROPANE			BUTANE
		592.74	(560.98)	612.16 (570.90)
The Figures above are a cumulative monthly average of RIM ASIA INDEX.				
--Figures in brackets are previous month's average--				



OCFR Far East Propane Swaps (\$/mt)		
Aug	609.00-610.00	
Sep	+2 608.00-609.00 +2	

OExpected CIF Japan Values (Yen/mt)				
	Aug	Jul	Jun*	May*
PROPANE	66,800	66,400	62,024	57,674
BUTANE	69,000	67,500	59,550	58,712

The figures above are Rim's expected CIF values for each grade, NOT including the power fuel-use LPG.
The quotations in the parenthesis refer to power fuel-use inclusive.
*The figures are preliminary CIF values, announced by the Japanese Ministry of Finance.

OFOB US Gulf Coast Spot Prices		
	PROPANE	
	(\$/mt)	(cts/gal)
FOB USGC spot prices (Aug)	+2 535-540 +2	+ 102.625-103.625 +
FOB USGC spot prices (Sep)	+2 533-539 +3	+ 102.375-103.375 +
*FOB USGC premiums (Aug)	+26/+31	+5.00/ +6.00
*FOB USGC premiums (Sep)	+26/+31	+5.00/ +6.00

*Premium to Mont Belvieu quotations

OMont Belvieu Swaps		
	PROPANE	
	(cts/gal)	(\$/mt)
Jul	+ 97.500-98.000 +	507.98-510.58
Aug	+ 97.500-97.750 +	507.98-509.28
Sep	+ 97.250-97.500 +	506.67-507.98
Oct	+ 97.000-97.250 +	505.37-506.67

OVLGC Freight Rates (\$/mt)		
Ras Tanura/F. East	-1 38-40 -1	
Algeria/F. East	62-64	
NWE/F. East	61-63	
Yanbu/MED	28-30	
Algeria/NWE	16-18	
Algeria/USGC	26-28	
USGC/Far East	70-73	
USGC/NWE	40-42	

OTerm/Spot Combined Freight Rates (\$/mt) -Single-Port Loading/Discharging		
Middle East/Japan	48.4 +0.2	

©Pressurized Cargoes		
OFOB South China Spot Prices		
	(\$/mt)	(*Yuan/mt)
***FOB South China	PROPANE/BUTANE	PROPANE/BUTANE
Aug 1st-half	+2 613-618 +2	4,176-4,210
Aug 2nd-half	+2 613-618 +2	4,176-4,210

OFOB Southeast Asia Spot Prices (\$/mt)		
**FOB Southeast Asia	PROPANE/BUTANE	Premiums to Applied CP
Aug 1st-half	+2 611-616 +2	+25/+30 (Aug)
Aug 2nd-half	+2 611-616 +2	+25/+30 (Aug)

OCFR Vietnam Spot Prices (\$/mt)		
**CFR Vietnam	PROPANE/BUTANE	Premiums to Applied CP
Aug 1st-half	+2 647-652 +2	+61/+66 (Aug)
Aug 2nd-half	+2 647-652 +2	+61/+66 (Aug)
*Yuan/mt prices exclude tariff and the value added tax.		
** Refers to a propane-to-butane ratio of 30:70.		
*** Refers to a propane-to-butane ratio of 50:50.		

OPressurized Freight Rates (\$/mt)		
Singapore/ Ho Chi Minh	63-65	
South China/ Haiphong	41-43	

©China Domestic Wholesale Prices (Yuan/mt ex-terminal)		
OSouth China		*Refinery Posted Price
East Guangdong	+ 4,810-4,870 +	
Shenzhen	+ 4,650-4,670 +	
Guangzhou	4,438-4,538	4,400-4,400
Zhuhai	+ 4,580-4,680 +	
Western Guangdong	4,450-4,550	4,400-4,400
Guangxi	+ 4,680-4,700 +	-
Hainan	+ 4,780-4,800 +	

OEast China		*Refinery Posted Price
Jiangsu	4,560-4,660 +	4,560-4,700 +
Shanghai	4,380-4,400	4,400-4,400
Zhejiang	4,650-4,750	5,160-5,160
Fujian	+ 4,550-4,650 +	+ 4,550-4,650 +

ONorth China		*Refinery Posted Price
North-East*	4,400-4,500	4,400-4,690 +
South-East**	4,550-4,650	4,550-4,700
Shandong***	+ 4,650-4,700 +	4,650-4,700 +
*Refinery posted price of Dagang, Tianjin, Yanshan, Huabei and Cangzhou Refinery		
** Refinery posted price of Shijiazhuang, Luoyang and Zhongyuan Refinery		
*** Refinery posted price of Jinan, Qingdao and local Refineries		

ONortheast China		*Refinery Posted Price
Dalian*	4,200-4,300	4,200-4,300
West Liaoning**	4,200-4,300	4,200-4,470
Hei Longjiang***	4,380-4,480	4,380-4,550
* Refinery posted price of Dalian Petrochem and WEPEC		
** Refinery posted price of Jinzhou Petrochem and Jinxi Refinery		
*** Refinery posted price of Daqing Petrochem and Daqing Refinery		

ORim China Domestic Index		
South China	4,676 +	
East China	4,616 +	

©Contract Prices/Postings (\$/mt)		
	PROPANE	BUTANE
North Sea Jul18	527.50	520.50
Algeria-Sonatrach Jul18	530.00	540.00
Saudi ARAMCO CP Jul18	555.00	570.00



©Calorific Values		
Arabian Light (\$/bbl)	75.21	
	PROPANE (\$/mt)	BUTANE (\$/mt)
LPG Calorific values	616.64	608.19
FOB Spot Cargo prices (Aug)	572.50	587.50
Spot LPG vs AL	93%	97%
*Arabian Light Price is from Rim Crude/Condensate Report		
*Aug Arabian Light premium against Dubai/Oman is \$ 1.9		

©Japan Domestic Spot Prices (Yen/mt)		
OEx-Terminal Barge		
	PROPANE	BUTANE
Tokyo Bay (Keihin)	72,500-73,000	73,000-73,500
Hanshin. Kyushu	72,500-73,000	73,000-73,500

OEx-Terminal Truck		
	PROPANE	BUTANE
Tokyo Bay (Keihin)	72,800-72,900 -	- 73,000-73,500 -
Hanshin	72,800-72,900 -	- 73,000-73,500 -

©Cumulative Monthly Average (Jul 2018) (Yen/mt)		
OEx-Terminal Barge		
	PROPANE	BUTANE
Tokyo Bay (Keihin)	70,318	70,695
Hanshin. Kyushu	70,318	70,695
The Figures above are a cumulative monthly average of JAPAN DOMESTIC SPOT PRICE ASSESSMENTS.		

OEx-Terminal Truck		
	PROPANE	BUTANE
Tokyo Bay (Keihin)	70,343	70,575
Hanshin	70,470	70,668
The Figures above are a cumulative monthly average of JAPAN DOMESTIC SPOT PRICE ASSESSMENTS.		

OMiddle East Market**Several ex-Middle East Aug loading spot cargoes still unsold**

Propane and butane prices for August loading were assessed unchanged from last Friday at a discount of \$5/mt to flat to the August CP on Monday. Saudi Aramco was still believed to have room to sell an end-August loading 44,000mt 50:50 cargo. As previously reported, the company was said to have received a bid on the cargo at \$580/mt for propane and at \$590/mt for butane on Thursday but did not sell. With regard to this, a Far East-based importer perceived that Saudi Aramco might have intended to avoid a trade at these levels, since this would become a major indication for the August CP and might generate a sense that the market was high after the deal, causing buying interest in FOB Middle East cargoes to reduce. In addition, sources had yet to learn about the price of the end August loading 44,000mt 50:50 cargo sold by Qatar Petroleum for the Sale of Petroleum Products Company Limited (QPSPP) late last week. Elsewhere, there appeared to be a few players still holding August loading 44,000mt 50:50 cargoes for sale. Therefore, supply/demand for ex-Middle East August loading seemed to be loose.

Propane and butane prices for September loading were both assessed unchanged at a discount of \$5/mt to flat to the September CP. Talks over September loading spot cargoes were still subdued.

The August propane contract was discussed at about \$573-576/mt, up \$2/mt from last Friday. Reflecting this and rising crude prices during Asian trading hours, the expected August CP was

revised up to \$575/mt for propane and \$590/mt for butane. Saudi Aramco was scheduled to release the August CP on Tuesday. Overall, sources expected the August CP to be set at \$570-580/mt for propane and at \$585-590/mt for butane with at \$10-15/mt for the butane/propane spread. Some western traders perceived that Aramco should set the August CP at \$580/mt for propane and at \$590/mt for butane, the same levels as the bid recently shown to Saudi Aramco on its spot cargo as mentioned above after having taken the recent rebound in crude prices into consideration. A few Far East importers projected the August CP at \$570-575/mt for propane and at \$585-590/mt for butane. Meanwhile, some sources voiced that the butane/propane spread on the August CP should be \$10/mt, down \$5/mt from the July CP after seeing loosening butane supply/demand in the recent CFR Far East market since late last week. Rim's forecast of expectations on the August CP during a Jul 2-27 averaged at \$567/mt for propane and at \$582/mt for butane, showing a \$15/mt difference.

The September propane contract was discussed at about \$4/mt above the August contract. Reflecting this, the expected September CP was revised up to \$579/mt for propane and \$594/mt for butane.

The October propane contract was discussed about \$1/mt above the September contract. Reflecting this, the expected October CP was revised up to \$580/mt for propane and \$595/mt for butane.

©CFR Asia Refrigerated Market**○Summary**

The CFR Far East market on Monday fell. Prices for first-September delivery declined due to slack supply/demand. This in turn sent prices for second-half August and second-half September delivery lower. In particular, spot demand for butane was weak and butane prices dropped more sharply than propane prices. Under this situation, the spread between butane and propane narrowed.

○CFR Japan

Propane and butane prices for second-half August delivery fell by \$1/mt and \$6/mt from last Friday to \$608-610/mt and \$618-620/mt respectively. Relative to the August CP, the premium for propane and butane shrank by \$3/mt and \$8/mt to \$33-35/mt and \$28-30/mt respectively.

Firm offers were not heard but some sellers such as one European trader were seen to still have pure propane cargoes. As supply was not tight, buyers seemed hesitant to raise their bids in pursuit of sellers. BP and Astomos Energy bid for 23,000mt propane cargoes at levels equivalent to a premium of \$27-33/mt to the August CP.

Several even-split cargoes were apparently observed in the market. One 23,000mt 50:50 cargo ex-Western Australia were seen to be still available. In addition, one European trader and one Korean importer seemed to have availability for 44,000-46,000 50:50 cargoes. Thus, some sources perceived that the spread between butane and propane narrowed to around \$10/mt in the CFR Far East market. On the other hand, another European trader was reported to have recently sold a 44,000mt 50:50 cargo but the price was unknown.

Propane and butane prices for first-half September declined by \$4/mt and \$9/mt from last Friday to \$605-608/mt and \$615-618/mt respectively. Relative to the September CP, the premium for propane and butane was down by \$5/mt and \$10/mt to \$26-29/mt and \$21-24/mt respectively.

According to sources, the number of spot cargoes for July loading in the USGC was more than that for June loading by around 10. Therefore, more spot cargoes were expected to flow into the Far East during August to early September. On the other hand, in Japan, South Korea and China, with domestic sales sluggish at present, buying interest for the purpose of stock building towards the peak demand winter season was apparently not robust. Under this situation, selling interest for pure propane cargoes was increasing. Wanhua Chemical offered a 23,000mt propane cargo at a premium of \$29/mt to the September CP. Further, for pure butane cargoes, BP indicated an offer for a 23,000mt butane cargo at a premium of \$3/mt to September CFR Far East quotations. The company was seen to have a 44,000mt 50:50 cargo and a 44,000mt 25:75 cargo of US Ferndale origin. Moreover, other players seemed to have room to sell 44,000mt 50:50 cargoes.

As for demand, several buyers had room to buy pure propane cargoes. Mabanaft was looking for a 46,000mt propane cargo at a level equivalent to a premium of \$27/mt to the September CP. Further, Vilma, Astomos Energy and SK Gas bid for 23,000mt propane cargoes at a premium of \$23-25/mt to the September CP. On the other hand, spot demand for cargoes containing butane was also weak for this timing.

Propane and butane prices for second-half September decreased by \$5/mt and \$10/mt from last Friday to \$605-608/mt and \$615-618/mt respectively. Relative to the September CP, the premium for propane and butane fell by \$6/mt

and \$11/mt to \$26-29/mt and \$21-24/mt respectively.

Mabanaft was interested in a package deal whereby it would buy a 23,000mt propane cargo each for first-half and second-half September delivery at the same time at flat to September CFR Far East quotations (equivalent to \$609/mt or a premium of \$30/mt to the September CP). Sellers' responses, however, were dull.

Open-spec naphtha prices for first-half September delivery were discussed at \$680.25-680.75/mt on Monday, up \$1.00/mt from last Friday.

OCFR China

Propane and butane prices for second-half August delivery fell by \$1/mt and \$6/mt from last Friday to \$605-607/mt and \$615-617/mt respectively. Relative to the August CP, the premium for propane and butane shrank by \$3/mt and \$8/mt to \$30-32/mt and \$25-27/mt respectively.

Propane and butane prices for first-half September declined by \$4/mt and \$9/mt from last Friday to \$602-605/mt and \$612-615/mt respectively. Relative to the September CP, the premium for propane and butane was down by \$5/mt and \$10/mt to \$23-26/mt and \$18-21/mt respectively.

One buyer seemed to have demand for second-half August delivery. Nevertheless, firm bids were not heard. On the supply side, several spot cargoes for end-August to September delivery were seen in the market.

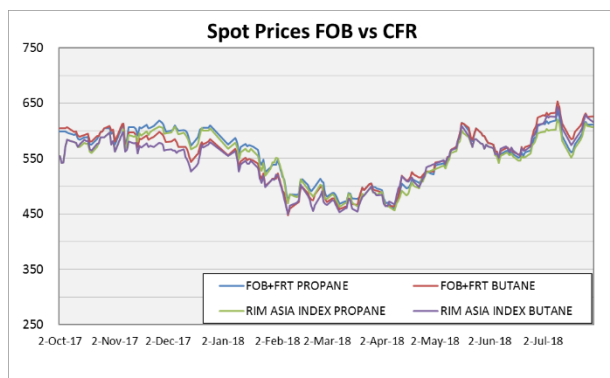
A Thai importer with terminals in Zhuhai and Shantou and one importer from East China were expected to have demand for first-half September delivery. Additionally, one importer from South China seemed to consider buying second-half September delivery. On the other hand, one Chinese importer and another importer from East China focused on taking a wait-and-see stance.

ORim Asia Index

The Rim Asia Index for propane and butane on Monday was at \$606.25/mt and \$616.25/mt, down \$2.25/mt and \$7.25/mt respectively from last Friday.

assessment for one half-month. The front line for both CFR Japan and CFR China changes every 1st and 16th of the month.

*The Rim Asia Index is a reflection of the CFR Far East spot market and is calculated based on the average of 4 quotations: the first two lines for CFR Japan and the two lines for CFR China. Each line refers to the price



Others

For delivery to South East Asia, as reported previously, a buy tender issued by Indonesia's Pertamina that had closed on Jul 25 with offers valid until Jul 26 was said to have been awarded. According to fresh information, the seller was either one European trader or one European major. The prices for both cargoes were said to be

at a premium in the \$20's/mt to the September CP. Nevertheless, the European trader refrained from commenting on it. Through the tender, Pertamina was looking for two 44,000mt 50:50 cargoes to be delivered to Tanjung Uban during Sep 4-6 and Teluku Semangka during Sep 21-23 respectively.

US/NWE Markets

One South American oil company shows no bids for Sep loading yet

FOB US Gulf Coast (USGC) propane prices for August and September loading rose by \$2/mt from last Friday to \$535-540/mt and \$533-538/mt respectively on Monday in view of increasing crude prices during Asian trading hours. On the other hand, relative to Mont Belvieu quotations, the premium for August and September loading was steady at 5.00-6.00cts/gallon.

According to sources, discussion levels for September loading were at a premium of 5.00-6.00cts/gallon to September Mont Belvieu quotations. On the other hand, some sources pointed out that LPG demand in Brazil would fall going forward as the peak demand winter season was coming to an end. Under this situation, bids for September loading were not heard yet from a South American oil company that had actively bought spot cargoes for August loading.

Butane prices in the Mont Belvieu market had sharply gained in recent days and were much higher than those in the Europe market. Under such circumstances, some sources perceived that some players with ex-Europe butane cargoes might resell those cargoes to the US. Nevertheless, such movements were not observed at present.

With CFR Far East prices for first-half September delivery at \$605.00/mt for propane and USGC Far East freight rates seen to be \$70-73/mt, the netback from CFR Far East to FOB USGC was about \$533.50/mt (or 102.40cts/gallon). August Mont Belvieu swaps were around 97.63cts/gallon. Therefore, relative to Mont Belvieu quotations, FOB USGC prices for cargoes for August loading had to be a premium of 4.77cts/gallon to Mont Belvieu quotations or lower in order for the arbitrage from the US Gulf Coast to the Far East to be open.

Far East Arrival Cost of USGC Spot Cargoes

Aug MB + Premium* + Frt = CFR Cost

509 + 29 + 72 = 609

CFR Far East H1 Sep = 605.00

Unit:\$/mt ARBITRAGE:CLOSED

*Premium: Propane 5.5 cts/gal

In the US ex-pipeline market last Friday, propane and butane fell by \$2/mt from a day earlier to \$505/mt and \$626/mt respectively due to weak crude prices.

In the CIF ARA market last Friday, propane and butane prices declined by \$5/mt and \$4/mt from a day earlier to around \$570/mt and the high \$550's/mt respectively, weighed down by decreasing crude prices.

WTI crude futures on the NYMEX retreated for the first time in the four days. The front month September contract ended at \$68.69 per barrel (bbl), down 92cts from the previous day. The

Far East Arrival Cost of USGC Term Cargoes

Aug MB + Terminal Cost* + Frt = CFR Cost

509 + 73 + 72 = 653

CFR Far East H1 Sep = 605.00

Unit:\$/mt ARBITRAGE:CLOSED

*USGC Terminal Cost: Propane 14 cts/gal

contract was 80cts higher than one week ago. Prices were weighed down by increasing oil rigs and a drop in the US equities market. General Electric Co's Baker Hughes energy services firm said that US drillers increased three oil rigs in the week to July 27, bringing the total count to 861. The data raised concerns about increasing crude production and was also regarded as a bearish factor.

North Sea Brent crude futures on the ICE also fell after rising for four trading days. The September contract ended at \$74.29/bbl, down 25cts from the previous day. The contract was \$1.23 higher than one week ago.

©LPG Cargoes from West of Suez to Far East

LPG Cargo from West of Suez to East -- From the US

Loading	Place	Player	Vsl name	Qty	C3	C4
14-Aug-18	USGC	Japanese	BW BIRCH	44	NA	NA
12-Aug-18	USGC	Japanese	CONSTELLATION	44	NA	NA
11-Aug-18	USGC	Chinese	BW BALDER	44	NA	NA
30-Jul-18	USGC	Chinese	NA	NA	NA	NA
29-Jul-18	Ferndale	British Major	BW TOKYO	44	NA	NA
28-Jul-18	USGC	Japanese	CHALLENGER	44	44	0
24-Jul-18	USGC	Euro Trader	MONT FORT	44	44	0
17-Jul-18	Nederland	Euro Major	SHAHRASTANI	44	22	22
15-Jul-18	Ferndale	Canadian	CRISTAL RIVER	44	22	22
14-Jul-18	Nederland	NA	ORIENTAL QUEEN	44	22	22
14-Jul-18	Nederland	Euro Major	ASTOMOS VENUS	44	22	22
13-Jul-18	USGC	Euro Major	CLIPPER VANGUARD	44	44	0
12-Jul-18	USGC	NA	BW CEDAR	44	44	0
10-Jul-18	USGC	NA	BW MESSINA	44	44	0
09-Jul-18	Ferndale	NA	SINNDAR	44	22	22
05-Jul-18	Nederland	NA	SEA BIRD	44	22	22
04-Jul-18	USGC	NA	KODAIJISAN	44	44	0
03-Jul-18	USGC	Euro Trader	OCEAN ORCHID	44	44	0
02-Jul-18	USGC	Chinese	MONT GELE	44	44	0
01-Jul-18	USGC	Euro Trader	BW PRINCESS	22	22	0
30-Jun-18	USGC	NA	SIROCCO	44	44	0
29-Jun-18	Nederland	Euro Major	DORAJI GAS	44	22	22
26-Jun-18	Targa	Euro Trader	PINZA	44	33	11
25-Jun-18	USGC	NA	UMM LAQHAB	44	44	0

24-Jun-18	Ferndale	British Major	BW TOKYO	44	22	22
23-Jun-18	Nederland	Euro Major	LETO PROVIDENCE	44	22	22
23-Jun-18	USGC	NA	PIXIS ALFA	44	44	0
19-Jun-18	USGC	Chinese	CRATIS	44	44	0
18-Jun-18	Targa	NA	RONALD N	44	44	0
17-Jun-18	Nederland	Euro Major	ORIENTAL KING	44	22	22

LPG Cargo from West of Suez to East -- From African Countries

Loading	Place	Player	Vsl name	Qty	C3	C4
30-Jul-18	Bonny	Euro Trader	NA	44	22	22
25-Jul-18	Bethioua	Euro Major	PACIFIC DONGYING	44	44	0
13-Jul-18	Escravos	Euro Trader	CORSAIR	NA	NA	NA

©VLGC Freight Market (Single-Port Loading/Discharging)

Slack supply/demand of vessels weighs on freight market

Freight rates for Middle East-Far East lost by \$1/mt from last Friday to \$38-40/mt on Monday, weighed down by slack supply/demand of vessels. Spot vessel fixtures were seen to be possible at \$38-40/mt. Late last week, a vessel for reletting by a trader for loading around Aug 10 was reportedly fixed at \$38.5/mt. Additionally, two vessels for second-half August loading were said to have been chartered at \$39.5/mt last week. For discharge in India, "Nanda Devi" was seen to have been concluded for Aug 3-4 loading from Ruwais at a lumpsum of \$1.58mil by an Indian importer. Further, another Indian importer seemed to have chartered "Kailash Gas" for Aug 16 loading from Yanbu at a lumpsum of \$2.63mil in a total.

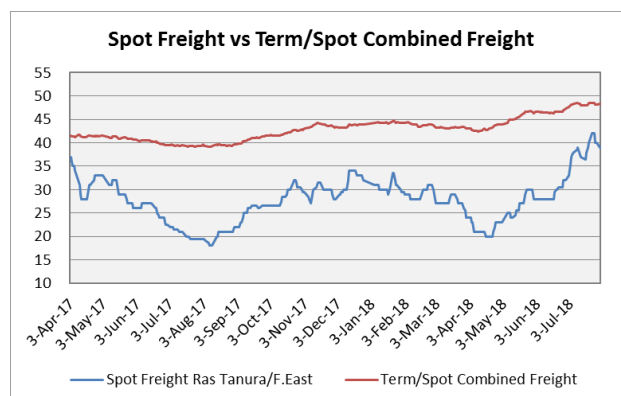
Discussion levels for USGC-Far East were still reported at about \$70/mt via Panama. One vessel was said to have been fixed for Aug 20-25 loading at \$70.5/mt via Panama late last week. In addition, one European trader apparently chartered "G. Spirit" for Aug 18-20 loading from the USGC and for discharge in the Far East in the low \$70's/mt via Panama last week.

Apart from that, one British Major seemed to have concluded "Gas Stella" for Aug 15-20

loading from US Ferndale and for discharge in the Far East at a level equivalent to \$41.5/mt on a Ras Tanura-Chiba basis last week. Further, "Berge Nantong" was seen to have been chartered by a US Major for Aug 15-17 loading from Westernport, Australia at a level equivalent to \$40/mt on a Ras Tanura-Chiba basis.

Term/spot-combined freight for Middle East-Japan(*) was at \$48.4/mt on Monday, up \$0.2/mt from last Friday. The gain was attributed a sharp rise in bunker costs.

*Term/Spot Combined Freight is assessed based on a weighted average of the overall term charter costs and the spot charter costs.



©Pressurized Cargoes

○FOB South China Prices

Buyers take wait-and-see stance ahead of release of Aug CP

FOB South China prices for cargoes of propane/butane ratio 50:50 for August loading rose by \$2/mt from last Friday to \$613-618/mt on Monday owing to an upward revision of the expected August CP. The prices were equivalent to a premium of \$30-35/mt to the August CP. Some sellers could sell at a premium in the mid-high \$30's to the August CP.

Further, one refrigerated cargo importer offered at a premium of around \$40/mt to the August CP and waited for buyers' responses. Buying interest, however, was dull. Some sources pointed out that active buyers were not seen in the market. Ahead of the release of the August CP, most buyers seemed to take a wait-and-see stance.

○FOB Southeast Asia Prices

Sellers at Aug CP + \$30s

FOB Southeast Asia prices for cargoes of propane/butane ratio 30:70 for August loading climbed by \$2/mt from last Friday to \$611-616/mt on Monday due to an upward revision of the expected August CP. Relative to the August CP, the premium was unchanged at \$25-30/mt. Some Southeast Asian sellers such as a Vietnamese supplier were said to have room for

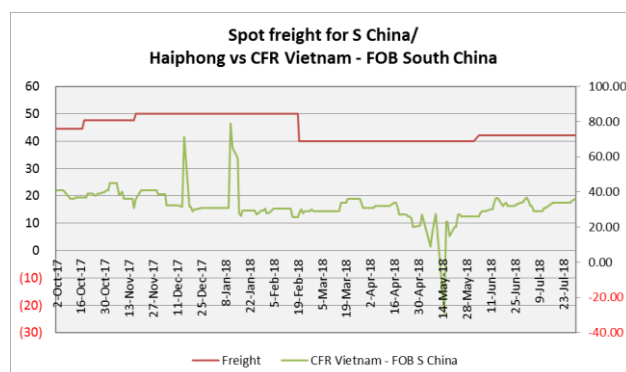
spot sales for August loading. Sellers seemed to consider selling at a premium in the \$30's/mt to the August CP. Nevertheless, major buyers such as traders were seen to have already procured spot cargoes for August loading even though prices were unknown. Thus, talks were slow to progress.

○CFR Vietnam Prices

One importer from South Vietnam has no interest in spot purchase

CFR Vietnam prices for August delivery climbed by \$2/mt from last Friday to \$647-652/mt on Monday due to an upward revision of the expected August CP. Relative to the August CP, the premium was unchanged at \$61-66/mt. In South Vietnam, few active buyers were seen in the market. According to sources, as schools entered the holiday season, LPG demand for household use was receding. As a result, most buyers apparently saw that they could cover demand with term pressurized cargoes as well as domestic cargoes. One importer from South Vietnam

refrained from indicating firm bids and stayed on the sidelines..



©Pressurized Freight

Freight rates unchanged from last Friday

Freight rates for Singapore-Ho Chi Minh and South China-Haiphong held steady at \$63-65/mt and \$41-43/mt respectively on Monday.

©China Domestic Wholesale Market

○South China

Summary

Prices in most areas gained on Monday due to increasing refrigerated cargo market prices.

East Guangdong :	4,810	4,870	+225		
	Price	Discount	Actual	up/down	Remarks
Supplier	4,810			+220	strong refrigerated cargo market prices,
Supplier	4,810			+220	strong refrigerated cargo market prices, receives a refrigerated cargo on Jul 30-31
Pressurized importer	4,810			+220	strong refrigerated cargo market prices
Pressurized importer	4,870			+230	strong refrigerated cargo market prices
Shenzhen :	4,650	4,670	+50		
	Price	Discount	Actual	up/down	Remarks
Wholesaler	4,670			+50	firmness in the neighboring markets
Guangzhou :	4,438	4,538	0		
	Price	Discount	Actual	up/down	Remarks
Guangzhou refinery	4,400		4,438	0	loading costs of Yuan 38/mt
Supplier	4,750			+100	strong refrigerated cargo market prices,
Pressurized importer	4,660			+80	strong refrigerated cargo market prices
Wholesaler	4,660			+222	strong refrigerated cargo market prices
Zhuhai :	4,580	4,680	+200		
	Price	Discount	Actual	up/down	Remarks
Supplier	4,730	30	4,700	+100	strong refrigerated cargo market prices
Supplier	4,700				truck delivery resumed
Wholesaler	4,580			+200	strong refrigerated cargo market prices
Western Guangdong :	4,450	4,550	0		
	Price	Discount	Actual	up/down	Remarks
Maoming refinery	4,400		4,450	0	loading costs of Yuan 50/mt
Pressurized importer	4,600			0	
Guangxi :	4,680	4,700	+50		
	Price	Discount	Actual	up/down	Remarks
Qinzhou refinery					truck delivery suspended and only barge delivery
Supplier	4,700			+50	strong refrigerated cargo market prices, receives a refrigerated cargo on Jul 30-31
Supplier	4,700			+50	strong refrigerated cargo market prices
Hainan :	4,780	4,800	+150		
	Price	Discount	Actual	up/down	Remarks

Wholesaler

4,800			+150	firmness in the neighboring markets
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○East China

Summary

Jiangsu and Fujian prices moved up on Monday owing to increasing refrigerated cargo market prices and brisk sales.

Jiangsu :	4,560	4,660	+5		
	Price	Discount	Actual	up/down	Remarks
Yangzi refinery	4,700			+50	strong refrigerated cargo market prices
Jinling refinery	4,560			0	
Supplier	4,650			+50	strong refrigerated cargo market prices

Shanghai :	4,380	4,400	0		
	Price	Discount	Actual	up/down	Remarks
Jinshan refinery	4,400			0	
Gaoqiao refinery	4,400			0	

Zhejiang :	4,650	4,750	0		
	Price	Discount	Actual	up/down	Remarks
Zhenhai refinery	5,160			0	continues discount sales
Supplier	4,650			0	

Fujian :	4,550	4,650	+50		
	Price	Discount	Actual	up/down	Remarks
Fujian refinery	4,550			+50	robust sales
Quanzhou refinery	4,650			+50	robust sales
Supplier	4,680			+50	robust sales
Petchem user					sales halted due to accidents and expected to resume sales from September to October

○North China

Summary

Brisk sales led to prices in Shandong rising on Monday.

North-East :	4,400	4,500	0		
	Price	Discount	Actual	up/down	Remarks
Dagang	4,690			+50	robust sales
Huabei oilfield	4,500			0	

Tianjing	4,550			0	
Yanshan	4,500			0	
Cangzhou	4,400			0	

South-East :	4,550	4,650	0		
	Price	Discount	Actual	up/down	Remarks
Shijiazhuang	4,550			0	
Luoyang	4,700			0	
Zhongyuan oilfield					under maintenance and no plans to resume

Shandong :	4,650	4,700	+35		
	Price	Discount	Actual	up/down	Remarks
Jinan	4,650			0	
Qingdao	4,650			0	
Shenghua	4,700			+50	robust sales

○Northeast China

Summary **Prices held intact on Monday.**

Dalian :	4,200	4,300	0		
	Price	Discount	Actual	up/down	Remarks
Dalian Petrochemical	4,200			0	
WEPEC	4,300			0	

West Liaoning :	4,200	4,300	0		
	Price	Discount	Actual	up/down	Remarks
Jinzhou Petrochemical	4,470			0	
Jinxi Petrochemical	4,200			0	

Hei Longjiang :	4,380	4,480	0		
	Price	Discount	Actual	up/down	Remarks
Daqing Petrochemical	4,550			0	
Daqing refinery	4,380			0	

◎Japan Domestic Market

○Barge

Spot demand from importers dull

Propane and butane prices for August lifting showed no change at Yen 72,500-73,000/mt and Yen 73,000-73,500/mt respectively on Monday. Buying interest from importers was thin. Based on current yen/dollar exchange rates and including import tax, spot CFR Japan prices were estimated to be in the low Yen 70,000's/mt for propane and in the high Yen 71,000's/mt for butane. As these levels were below the current barge market,

importers apparently saw no merit to buy spot barge cargoes at the moment. Further, other buyers were also said to be reluctant to buy spot barge cargoes. Under this situation, no firm bids were reported in the market. On the other hand, most sellers seemed to refrain from actively offering spot cargoes.

<EXPECTED CIF JAPAN VALUES (IN YEN/MT)>

	Aug	Jul	Jun*	May*
PROPANE	66,800	66,400	62,024	57,674
BUTANE	69,000	67,500	59,550	58,712

The figures above are RIM's expected CIF values for each grade.

*The figures are preliminary CIF values, announced by the Japanese Ministry of Finance.

<ESTIMATED END-MONTH STOCKS (IN KT)>

	Aug	Jul	Jun*	May*
PROPANE/BUTANE	1,850 (-10.6%)	1,700 (-13.1%)	1,423 (-16.2%)	1,368 (-12.8%)

*The figures are actual inventories, announced by the Japanese LP Gas Association. Figures in brackets are year-on-year changes.

○Truck

Propane and butane prices in Keihin and Hanshin fall in view of increasing supply

Keihin

Propane and butane prices for August loading fell by Yen 200/mt and Yen 300/mt from last Friday to Yen 72,800-72,900/mt and Yen 73,000-73,500/mt respectively on Monday with plentiful supply. Among dealers, some dealers with term cargoes at lower prices seemed to actively move on reselling in the spot market. Offers were heard at slightly below Yen 73,000/mt and in the low Yen 73,000's/mt. Further, spot cargoes were also reportedly available in the low Yen 73,000's/mt for propane and the high Yen 73,000's/mt for butane. As for demand, one buyer bid in the high Yen 72,000's/mt for propane and the low Yen 73,000's/mt for butane. Nevertheless, actual demand for propane and butane seemed to be weak. Propane sales were expected to remain sluggish due to the searing heat. As for butane,

several sources pointed out that sales would fall due to low operational rate of plants.

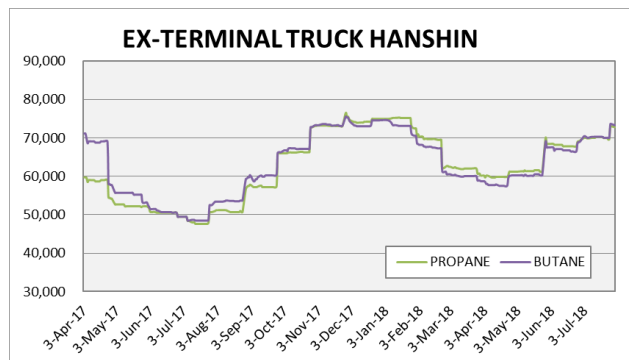
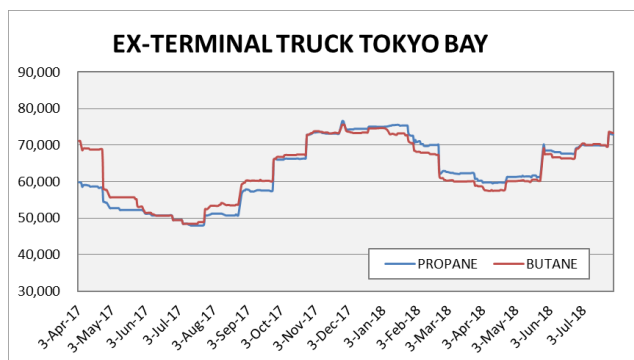
Importers were apparently supplying in the low Yen 73,000's/mt for propane and the high Yen 73,000's/mt for butane. With the limited quantity, spot cargoes ex-Kawasaki was said to be available in the low Yen 72,000's/mt for propane and the low Yen 73,000's/mt for butane. One dealer showed interest in buying at these levels while several dealers were cautious about spot purchase as it would be difficult to secure buyers.

Hanshin

Propane and butane prices for August loading fell by Yen 200/mt and Yen 300/mt from last Friday to Yen 72,800-72,900/mt and Yen 73,000-73,500/mt respectively on Monday. According to

sources, discussion levels in Hanshin were similar

to those in Keihin.



<http://www.asia-energylinks.com/method/method.html>

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Following news stories were originally published on Rim Asia Energy Links, the real-time news service at <https://www.rim-intelligence.co.jp/cgi-bin/e/index.cgi>

○US oil/gas operating rig count up 0.2% on week

The number of active rigs exploring for oil and natural gas in the US during the week to Jul 27, was at 1,047, up 0.2% from the previous week, according to a report released last Friday by US oil service company Baker Hughes Inc.

	Jul 27	Jul 20	on year
Oil	861	858	766
Gas	186	187	192
Total	1,047	1,045	958

○Japan end June LPG stocks down 16.2% on year

Stocks of liquefied petroleum gas (LPG) in Japan at the end of June were roughly 1.42mil metric tons (mt), down 16.2% on year according to the most recent data released by the Japan LP Gas Association. Running stocks at import terminals were at 194,000mt for propane and 121,000mt for butane, down 1.5% and 14.8% respectively, from June 2017. Meanwhile, propane imports in June reached 690,000mt for propane, up 14.8% from the same month a year earlier while butane imports were down 47.5% at 114,000mt.

	PROPANE		BUTANE		TOTAL	
	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17
RUNNING STOCKS	131	105	96	87	227	192
STOCKPILES	740	890	401	486	1,141	1,376
STARTING STOCKS	871	995	497	573	1,368	1,568
REFINERY	78	73	54	63	132	136
PETOCHEM	22	23	7	12	29	35
IMPORT	690	601	114	217	804	818
INPUT TOTAL	790	697	175	292	965	989
DOMESTIC SALES	717	660	148	170	865	830
POWER USE	0	0	0	0	0	0
OTHER	0	0	45	28	45	28
EXPORT	0	0	0	0	0	0
OUTPUT TOTAL	717	660	193	198	910	858

RUNNING STOCKS	194	197	121	142	315	339
STOCKPILES	750	835	358	525	1,108	1,360
ENDING STOCKS	944	1,032	479	667	1,423	1,699

source:Japan LP Gas Association
Unit: kt

Japan June LPG CIF prices; C3 and C4 up on month

Import prices for liquefied petroleum gas (LPG) on a CIF Japan basis for June settled at Yen 62,024 per metric ton (mt) for propane, up Yen 4,349/mt from the previous month. Further, import price was settled at Yen 59,550/mt for butane, up Yen 838/mt, according to statistics released by the Ministry of Finance. The average exchange rate applied for June imports was 109.10 yen to the US dollar, unchanged from the average for May. LPG imports for the month of June reached 739,449mt, down 3.8% from the previous month and showed a decrease of 3.7% from the same month of the previous year.

<CIF PRICES>

	PROPANE	BUTANE	TOTAL
FOR GENERAL USES	62,024	59,550	61,844
FOR FEEDSTOCK	0	65,259	65,259
TOTAL	62,024	62,130	62,039

Japan LPG Imports by Country :MOF

=PROVISION Data Jun 2018=

Propane			LPG Others		
	Volume	Value		Volume	Value
Total	647,228	40,143,391	Total	-	-
USA	453,788	27,917,578		-	-
Kuwait	112,724	7,122,506			
Algeria	46,087	2,921,856			
Saudi Arabi	17,452	1,150,455			
Qatar	11,177	677,726			
UAE	6,000	353,270			

Butane as Fuel			Butane as Feedstock		
	Volume	Value		Volume	Value
Total	50,540	3,009,662	Total	41,678	2,719,883
Qatar	24,127	1,304,070	Australia	26,348	1,702,567
USA	14,190	888,877	Kuwait	12,580	868,807
Kuwait	11,612	669,978	Qatar	2,750	148,509
South Korea	611	142,882			
Taiwan	0	3,855			

Unit: Volume in mt, Value in Yen 1000

Forex: \$=Yen 109.1

Source: Ministry of Finance



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