

LNG DAILY

Volume 15 / Issue 152 / August 3, 2018

JKM higher on sustained end-user demand, deals done

KEY DRIVERS / MARKET HIGHLIGHTS

- China adds US LNG to list potentially liable for 25% tariff
- GAIL closes requirement for 36-cargo destination swap
- POSCO tender heard awarded for October requirement
- BP submits firm MOC bid for Oct 13-15 DES JKC
- Trafigura submits firm MOC bid for Sep 17-23 DES Pakistan

SHIPPING MARKET HIGHLIGHTS

- PetroChina seeks vessel for multi-month charter
- Stena Clear Sky on subjects for early September Sabine Pass load

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SHIPPING RATES: AUG 3

		\$/day	Ballast rate
Asia Pacific day rate (\$/day)	AARXT00	58,000	AAXTN00 75%
Atlantic day rate (\$/day)	AASYC00	70,000	AAXTM00 100%

DAILY CUMULATIVE AVERAGES AND MONTHLY AVERAGES

Aug 3 (\$/MMBtu)	Cumulative monthly average	Previous month average
JKM	9.672 Sep	10.455 Aug
DES West India	9.425 Sep	10.288 Aug
DES Southwest Europe	7.820 Sep	8.311 Aug
DES Northwest Europe	7.470 Sep	7.979 Aug
FOB EAM	8.888 Sep	8.432 Aug
FOB GCM	8.767 Sep	8.047 Aug
JKM Yen conversion	1080.673 Sep	1156.232 Aug

JKM™ **10.100** **0.025**

Cumulative monthly average (Sep) 9.672

Previous month average (Aug) 10.455

PLATTS DAILY LNG MARKERS (\$/MMBtu)

Aug 3		Change
DES Japan/Korea Marker (JKM)		
JKM (Sep)	10.100	0.025 ▲
H1 Sep	10.000	0.000 —
H2 Sep	10.200	0.050 ▲
H1 Oct	10.600	0.071 ▲
H2 Oct	10.950	0.050 ▲
JKM (Sep) Japanese Yen conversion	1128.726	4.205 ▲
DES Japan/Korea (JKM) Swaps		
Oct	10.700	0.000 —
Nov	11.150	-0.050 ▼
Dec	11.750	0.050 ▲
Q4 2018	11.200	0.000 —
Q1 2019	11.600	-0.050 ▼
2019	9.300	-0.025 ▼
FOB East Atlantic Marker (EAM)		
EAM (Sep)	8.950	0.035 ▲
H2 Aug	8.650	0.000 —
H1 Sep	8.850	0.000 —
H2 Sep	9.050	0.070 ▲
DES Southwest Europe Marker (SWE)		
SWE (Sep)	8.150	0.015 ▲
H1 Sep	8.050	-0.010 ▼
H2 Sep	8.250	0.040 ▲
H1 Oct	8.650	0.061 ▲
DES Northwest Europe Marker (NWE)		
NWE (Sep)	7.800	0.015 ▲
H1 Sep	7.700	-0.010 ▼
H2 Sep	7.900	0.040 ▲
H1 Oct	8.300	0.061 ▲
Middle East Marker (MEM)		
MEM (Sep)	9.900	0.025 ▲
H1 Sep	9.800	0.000 —
H2 Sep	10.000	0.050 ▲
H1 Oct	10.350	0.070 ▲
H2 Oct	10.700	0.050 ▲
DES West India		
DES West India (Sep)	9.875	0.025 ▲
H2 Aug	9.700	0.000 —
H1 Sep	9.750	0.000 —
H2 Sep	10.000	0.050 ▲
H1 Oct	10.350	0.050 ▲
H2 Oct	10.750	0.050 ▲
FOB Gulf Coast Marker (GCM)		
GCM (Sep)	8.845	0.060 ▲
H2 Aug	8.240	0.000 —
H1 Sep	8.670	0.071 ▲
H2 Sep	9.020	0.050 ▲
LNG NETBACK PRICES (\$/MMBtu)		
Aug 03		
FOB Australia	9.450	0.020 ▲
FOB Middle East	9.500	0.050 ▲
DES Brazil Netforward	9.810	0.035 ▲

MARKET COMMENTARY

JKM higher on sustained end-user demand, deals done

Singapore—The Platts JKM for cargoes to be delivered in September was assessed up 2.5 cents/MMBtu at \$10.10/MMBtu Friday, on prompt and forward deals heard done, with continued end-user demand heard remaining.

In the very prompt period, at least two cargoes were heard to still be available, keeping a lid on upward prices as end-users eyed opportunistic purchases given the current strong contango price structure. A Gorgon cargo was heard to be on offer for delivery into Northeast Asia between August 17 and September 2, while another Western Australia cargo is heard to be available on offer for delivery into Northeast Asia in early-September.

Also on the prompt, market participants are awaiting results from the latest Angola sell tender offering a single cargo for delivery approximately end-August to early-September to Northeast Asia, with no shipping restriction.

China today announced that US-sourced LNG will be added to its list of products potentially liable to a 25% import duty, according to a statement from China's Customs tariff Commission of the State Council. The tariff has not been brought into force, but has been added to a list of proposed tariffs that will be brought into effect if the US follows through on threats to expand trade restrictions on Chinese exports.

China is the third biggest buyer of US LNG, having taken roughly 13% of all US exports since the startup of the Sabine Pass LNG facility, according to Platts data. Since 2016, China has imported 5.1 Bcm of gas equivalent from the US, behind South Korea (16.9 Bcm) and Mexico (21.0 Bcm).

PLATTS LNG ASIA JKM RATIONALE

The Platts JKM for cargoes to be delivered in September was assessed higher by 2.5 cents/MMBtu at \$10.10/MMBtu Friday, as recent forward October deals heard done into Northeast Asia exerted upward pressure on H2 September.

Market participants noted available supply from Australia for prompt cargoes. There were no firm Platts MOC bids and offers for September delivery. A bid indication was seen for H1 September at \$9.90/MMBtu, while top bid indications for H2 September were observed at \$9.90-10/MMBtu. Platts assessed H1 September and H2 September at \$10/MMBtu and \$10.20/MMBtu, respectively, widening the intra-month contango structure. No market data was excluded from the August 3 assessment.

PLATTS LNG US FOB GULF COAST DAILY RATIONALE

The FOB Gulf Coast Marker (GCM) for September was assessed Friday at \$8.845/MMBtu, a 6-cent gain from Thursday, at a netback to DES JKM for both H1 and H2 September USGC departures. In the absence of transactional data, DES JKM yields the best netback for an exporter of US LNG based on prevailing market values.

This rationale applies to symbol(s) <LGCSM01>

PLATTS LNG NORTHWEST EUROPE ASSESSMENT RATIONALE

The Northwest Europe Marker (NWE) for September was assessed at \$7.800/MMBtu, on the back of higher JKM prices.

This rationale applies to symbol(s) <AASXU00>

It was not immediately clear the effect that the tariff will have on LNG trade flows.

"We would likely see LNG from the US stay in the Atlantic basin. The long hard voyage is becoming less economic over time. And while the arbitrage can open up, 25% will close out the margin quite a bit." said an Atlantic-based trader. "If the JKM runs up its because everyone is pricing in the tariff premium. Less of a problem now, but when things

REPORTED ATLANTIC BIDS, OFFERS AND TRADES (\$/MMBtu)

Date	Seller	Loading	Buyer	Basis	Loading Window	Offer/Bid	Notes
Best Bids/Offers							
Aug 03							
Most recent trades							
mid-July		Gate LNG		FOB	July lifting	10.00	
H2 March	Novatek	Delivery Spain		DES	April delivery	TTF+0.30	
mid-June		Delivery Spain		DES	July delivery	5.05	
early June		Delivery Spain		DES	July delivery	5.15	
H2 May	Statoil	Sabine Pass	Petrobras	DES	July delivery	5.35	

REPORTED NORTH ASIAN BIDS, OFFERS AND TRADES (\$/MMBtu)

Date	Buyer	Destination	Seller	Source	Basis	Delivery period	Bid/Offer	Notes
Best Bids/Offers								
Aug 03	End-user	Northeast Asia			DES	H1 September	9.9 bid	
Aug 03	End-user	Northeast Asia			DES	H2 September	9.9 bid	
Aug 03		Japan	Supplier		DES	H2 September	10 bid	
Aug 03		Japan	Supplier		DES	H1 October	10.50 bid	
Aug 03		Japan	Supplier		DES	H2 October	10.80 bid	
Aug 03	BP Singapore	Japan, Korea, China			DES	October 13-15	10.73 bid	
Aug 03	Trafigura	Qasim, Pakistan			DES	September 17-23	9.65 bid	
Aug 03		Northeast Asia	Supplier	Pacific	DES	H1 October	10.7-10.8 offer	
Last 5 trades								
NE Asia								
July 23	European Trader	Northeast Asia	Portfolio Player		DES	H1 September	Heard possibly transacted at around \$9.75/MMBtu	
July 20	Portfolio player	Japan	End-user		DES	Late-August	Heard transacted around \$9.50/MMBtu	
July 16		Northeast Asia	Trader		DES	Early-september	Heard transacted around \$9.50-\$9.60/MMBtu	
July 10	Portfolio player		APLNG	APLNG	FOB	Aug 4-5 loading	Heard transacted at low- to mid-\$9 FOB	
July 6	Portfolio player	Asia			DES	early-August	Heard transacted at around \$10.30/MMBtu	

ASIA/MIDDLE EAST (\$/MMBtu): AUG 3**DES Japan/Korea Marker (JKM)**

JKM (Sep)	10.100
Asian Dated Brent	12.63
JKM vs. Henry Hub futures	7.279
JKM vs. NBP futures	2.539
JKM vs. Asian Dated Brent	-2.525
JKM vs. SWE	1.950
JKM vs. NWE	2.300

DES Japan/Korea (JKM) swaps

Oct	10.700
Nov	11.150
Dec	11.750

FOB Middle East

FOB Middle East	9.500
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DES West India

DES West India (Sep)	9.875
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FOB Australia (netback)

JKM (Sep)	10.100
(-) Freight	0.65
FOB Australia	9.45

Key gas price benchmarks

Japan JCC LNG (May)	9.69	Final
Japan JCC LNG (Jun)	9.84	Estimated

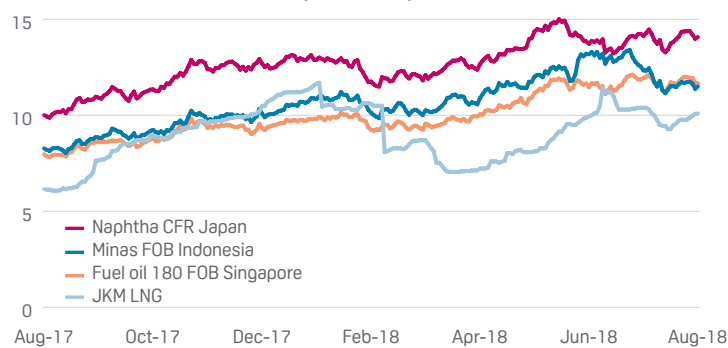
Competing fuel prices

JCC crude oil (May) (\$/b)	70.76	Final
JCC crude oil (Jun) (\$/b)	76.34	Estimated
HSFO 3.5% sulfur 180 CST FOB Singapore	11.15	
NEAT Coal Index	3.596	
Minas crude oil	11.514	
Naphtha CFR Japan	14.081	

NOTES: Japan JCC value shows latest available CIF price published by the Ministry of Finance, converted to US dollars per MMBtu. All other values reflect Platts most recent one-month forward assessments for each product in each region, converted to US dollars per MMBtu. JKM Marker, SWE LNG and NWE LNG average the assessments of the two half-months comprising the first full month of forward delivery. Asian LNG assessments assessed at Singapore market close 0830 GMT, European LNG assessment assessed at London market close 1630 UK time. NYMEX Henry Hub futures and ICE NBP futures values taken at Singapore market close and London market close. ICE NBP futures converted from Pence/Therm to \$/MMBtu. Asian Dated Brent crude oil assessed at Asian market close 0830 GMT and converted from \$/barrel to \$/MMBtu. Detailed assessment methodology is found on www.platts.com.

FUTURES (\$/MMBtu): AUG 3

NYMEX HH Singapore close	(Sep)	2.821	(Oct)	2.828
ICE NBP Singapore close	(Sep)	7.561	(Oct)	7.579
NYMEX HH London close	(Sep 18)	2.859	(Oct 18)	2.867
ICE NBP London close	(Sep 18)	7.655	(Oct 18)	7.684
NYMEX HH US close	(Sep 18)	2.853	(Oct 18)	2.862

COMPETITIVE FUELS ASIA (\$/MMBtu)**EUROPE (\$/MMBtu): AUG 3****FOB East Atlantic Marker (EAM)**

EAM (Sep)	8.950
Dated Brent	12.490
EAM vs. Henry Hub futures	6.091
EAM vs. NBP futures	1.295
EAM vs. Dated Brent	-3.540
EAM vs. SWE	0.800
EAM vs. JKM	-1.150
EAM vs ARA fuel oil	-1.600

DES Southwest Europe Marker (SWE)

SWE (Sep)	8.150
Dated Brent	12.490
SWE vs. Henry Hub futures	5.291
SWE vs. NBP futures	0.495
SWE vs. Dated Brent	-4.340
SWE vs. NWE	0.350
SWE vs. JKM	-1.950

DES Northwest Europe Marker (NWE)

NWE (Sep)	7.800
Dated Brent	12.490
NWE vs. Henry Hub futures	4.941
NWE vs. NBP futures	0.145
NWE vs. Dated Brent	-4.690
NWE vs. SWE	-0.350
NWE vs. JKM	-2.300
NWE as a % of NBP	101.89

Competing fuel prices

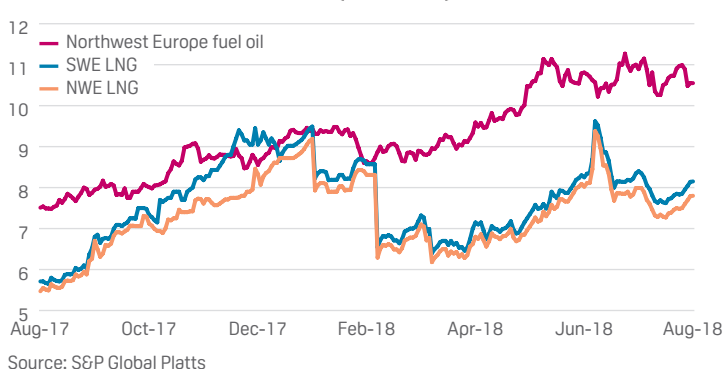
Northwest Europe fuel oil	10.55
CIF ARA 15-60 day thermal coal	3.95

NORTH AMERICA (\$/MMBtu): AUG 3**FOB Gulf Coast Marker (GCM)**

GCM (Sep)	8.845
Dated Brent	12.490
GCM vs. JKM	-1.255
GCM vs. EAM	-0.105
GCM vs. Henry Hub futures	5.992
GCM vs. NBP futures	1.190
GCM vs. Dated Brent	-3.645
GCM vs. WTI	-2.964
GCM vs. USGC HSFO	-1.455

Competing fuel prices

US Gulf Coast high sulfur fuel oil	10.24
New York Harbor 1%S fuel oil	10.57

COMPETITIVE FUELS EUROPE (\$/MMBtu)

RECENT TENDERS AND STRIPS

Tender/ strip	Issuer/location	Tender type	(Loading) or delivery period	Slots/ cargoes	Opening	Closing date	Validity	Notes	Results
Tender	POSCO - Gwangyang	Buy	25-Oct-18 - 30-Nov-18	2 DES	24-Jul-18	30-Jul-18	01-Aug-18	Two cargoes for October 25-30 and November 26-30 delivery, 3.2 TBTU +/-5%, GHV 1027-1068 Btu/Scf, buyer's option to nominate alternative delivery port in JKTC 15 days prior to delivery, sellers requested to make indicative offer before July 26	Heard possibly awarded for H2 October at around \$10.95/MMBtu
Tender	GAIL - India	Sell	01-Apr-19 - 31-Mar-22	18 FOB		01-Aug-18		Destination swap for Sabine Pass or Cove Point volumes April 1 2019 to March 31 2022 Lot 1: 18 cargoes Loading from Sabine Pass, 6 per year, 1 each from April-September Lot 2: 18 cargoes loading from Cove Point, 1 each from October 2019-March 2020, October 2020-March 2021, October 2021-March 2022. Combined Lot: 36 cargoes loading from Sabine Pass, 1 cargo per month from April 19 to March 2022. Corresponding swap delivery are for the same windows.	
Tender	Adgas - ADGAS Das Island	Sell	(21-Aug-18 - 22-Aug-18)	1 DES	23-Jul-18	25-Jul-18	26-Jul-18		Heard possibly awarded at \$9.70/MMBtu for delivery into Northeast Asia
Tender	Korea Midland Power - Boryeong	Buy	16-Nov-18 - 21-Nov-18	1 DES	25-Jul-18	26-Jul-18	26-Jul-18	GHV 1026-1079 3.25 tbtu +/-5% Tender was re-issued	Heard not awarded
Tender	Angola LNG - Angola LNG	Sell	01-Aug-18 - 31-Aug-18	1 DES	25-Jul-18	31-Jul-18	01-Aug-18	Destination restriction to no further than South China	Heard awarded to a European trader at \$9.65-9.70/MMBtu for delivery into China
Tender	CFE - Manzanillo	Buy	02-Oct-18 - 23-Jan-19	10 DES		06-Aug-18	07-Aug-18	Delivery windows are: Oct 2-4, Oct 14-15, Oct 25-27, Nov 5-6, Nov 20-21, Dec 2-4, Dec 18-19, Dec 27-28, Jan 7-8, Jan 22-23	
Tender	BPCL - India	Buy	01-Sep-18 - 31-Oct-18	2 DES		26-Jul-18	27-Jul-18		Heard awarded at around \$9.55/MMBtu
Tender	Indian Oil Corp (IOC) - India	Buy	01-Oct-18 - 31-Dec-18	4 DES	27-Jul-18	07-Aug-18	08-Aug-18		
Tender	GAIL - Dahej	Buy	16-Oct-18 - 30-Oct-18	1 DES	30-Jul-18	02-Aug-18	02-Aug-18	Dahej or Dabhol terminal	
Tender	GAIL - Dahej	Buy	17-Aug-18 - 30-Aug-18	1 DES	23-Jul-18	25-Jul-18	25-Jul-18		Heard not awarded
Tender	PNG - Papua New Guinea LNG	Sell	22-Aug-18 - 29-Aug-18	1 DES	24-Jul-18	25-Jul-18	27-Jul-18	DES Japan, South Korea, China or Taiwan.	Heard awarded to a Chinese end-user at \$9.55-9.65/MMBtu.
Tender	Angola LNG - Angola LNG	Sell		1 DES	30-Jul-18	02-Aug-18	03-Aug-18	End-August to early-September DES, to be loaded above the Malanje	
Tender	CFE - Altamira	Buy	01-Oct-18 - 31-Dec-18	6 DES	24-Jul-18	25-Jul-18	25-Jul-18	CFE issues tender seeking two cargoes per month from October to December.	All cargoes heard awarded to Shell.
Tender	Sakhalin - Sakhalin	Sell	(05-Sep-18 - 05-Sep-18)	1 DES	19-Jul-18	24-Jul-18	25-Jul-18		Heard possibly awarded to a project equity holder at around \$9.65-\$9.75/MMBtu
Tender	Indian Oil Corp (IOC) - Dahej	Buy	29-Aug-18 - 29-Aug-18	1 DES		17-Jul-18	18-Jul-18		Awarded to Gunvor at \$9.2/MMBtu (Heard)
Tender	Pakistan LNG - Port Qasim	Buy	07-Sep-18 - 26-Oct-18	5 DES	19-Jul-18	26-Jul-18	07-Aug-18	Delivery Window 07-08 September 2018 17-18 September 2018 10-11 October 2018 20-21 October 2018 25-26 October 2018 Award Date: 06 August 2018 Validity Date: 07 August 2018	
Tender	PFLE - Atlantic LNG	Sell	(26-Aug-18 - 26-Aug-18)	1 FOB		25-Jul-18	26-Jul-18		
Tender	Naturgy - Sabine Pass	Sell	(01-Jan-19 - 31-Dec-20)	12 FOB		18-Jul-18	19-Jul-18		
Tender	Enarsa - Argentina	Buy	01-Aug-18 - 30-Sep-18	7 DES	28-Jun-18	07-Jul-18		August - 2 cargoes to Escobar September - 2 cargoes to Bahia Blanca, 3 cargoes to Escobar	BP, Cheniere, Shell and Vitol heard as winners. Award prices heard in the low-\$9/MMBtu for Bahia Blanca slots and in the high-\$9/MMBtu for Escobar.
Tender	GAIL - Hazira	Sell	24-Jul-18 - 25-Jul-18	1 DES		13-Jul-18	13-Jul-18		Heard awarded around at \$9.10/MMBtu

tighten up in term of balance towards 2020, it will be felt both ways.”

“You could see a lot of locational swaps,” added another trader.

“And some of the directions of flow might start to change.”

“The market in Asia still needs a certain number of cargoes from the US to balance, and if China doesn’t get it from there, they will need to buy from elsewhere to fill that,” according to a third trader. “The Pacific doesn’t have enough, so it’s going to pull from the Atlantic. West African volumes, reloads, and you’ll end up with more miles on ships.”

In Japan, two power utilities were heard to have likely secured up to three September cargoes earlier in the week, according to several market participants. One buyer was heard to be seeking up to two late-September deliveries and was heard to possibly have secured volumes at around \$10.00-\$10.10/MMBtu. But market participants also said the transactions could have been higher at \$10.20-\$10.30/MMBtu. Details could not be confirmed. Another power utility is also heard to have secured a September delivery cargo at just above \$10/MMBtu, although details are scarce.

Attention was also placed on South Korean Posco’s tender seeking two cargoes for October 25-30 and November 26-30 delivery. The tender closed July 30, with validity until August 1. The tender included requirements for buyer’s option to nominate an alternative discharge port in Japan, South Korea, China and Taiwan 15 days prior to delivery. The October cargo was heard to have possibly been awarded at approximately \$10.95/MMBtu to a trading house, while the November cargo may not have been awarded.

Separately, a large Japanese end-user was heard to have secured an October delivery at \$10.40/MMBtu earlier in the week.

As many as six end-users across Northeast Asia were reported to be seeking end-September and October cargoes as inventory levels are expected to have been drawn down significantly due to the

prolonged and ongoing heatwave as well as concerns over high winter prices, said a trader.

BP Singapore submitted Friday a firm bid during the MOC assessment process at \$10.73/MMBtu for October 13-15 delivery into Japan, South Korea, and China, with a heating value of 1,030-1,130 Btu/cu ft, and a volume of 3.4-3.6 TBtu plus/minus 5%. Platts assessed H1 October at \$10.60/MMBtu and H2 October at \$10.95/MMBtu, reflecting BP’s bid at \$10.73/MMBtu for October 13-15.

Trafigura submitted Friday a firm bid during the MOC assessment process at \$9.65/MMBtu for a September 17-23 delivery into Port Qasim, Pakistan, with a heating value of 1,020-1,120 Btu/cu ft, and a volume of 3.2 Btu plus/minus 5%.

In India, Gail recently issued a 36-cargo swap requirement. The company was seeking to sell US cargoes and buy equivalent deliveries over April 1, 2019 to March 31, 2022. The delivery period included three options: Lot 1, Lot 2 and a combined lot. Lot 1 included 18 cargoes from Sabine Pass, at six cargoes a year, at one cargo per month from April to September, in the years 2019-21. Lot 2 included 18 cargoes from Cove Point, at one cargo a month from October to March in the years 2019-22. The combined lot included 36 cargoes from Sabine pass at one cargo a month from April 2019 to March 2022. The tender closed August 1.

In shipping, PetroChina has entered the market for a multi-month charter with flexibility on both delivery window and duration. Delivery could be between Q3 18 to Q1 19 across Northwest Europe to the Far East. The charter period sought is understood to be three to six months.

Stena Clear Sky is on subjects for Kogas’s early September vessel requirement for a Sabine Pass load. The hire rate was heard in from mid to high-\$70,000s/day with round-trip economics. — [Edwin Loh](#)

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NEWS

China adds US LNG to list of products for potential 25% import tariff

Beijing—China has added US LNG to its list of products liable to a potential 25% import duty if the US follows through on threats to expand its existing round of tariffs on Chinese exports, according to an announcement Friday by the Customs Tariff Commission of the State Council.

The move by Beijing comes in response to US President Donald Trump's decision earlier this week to explore the possibility of 25% tariff on \$200 billion worth of Chinese products as the trade war between China and the US continues to escalate.

US LNG imports into China do not attract any duty currently.

The trade war between the US and China escalated in June when China announced an additional 25% tariff on \$50 billion worth of US goods, including energy and agricultural products. But LNG, demand for which is rising in China, was not on the list.

China is on track to become the largest buyer of US LNG this year. It has imported more than 1.25 million mt to date this year, compared with 1.61 million mt in the whole of 2017, behind Mexico and South Korea, according to data from S&P Global Platts Analytics.

China became the largest contributor to global LNG consumption growth in 2017. It surpassed South Korea as the world's second-largest LNG importer and its share of global LNG demand is expected to rise to the same level as Japan's by 2030.

— *Robert Perkins, Staff, Sapna Dogra*

NORTH AMERICA LNG BUNKER POSTINGS

	Mid	Change
Fortis Ex-plant LNG Bunker (PGN page 868)		
Effective date: August 3, 2018		
Vancouver (\$/mt)	PULBA00	271.850 +23.620
Vancouver (\$/MMBtu)	PULBB00	6.141 +0.533

FREIGHT ROUTE COSTS: AUG 3 (\$/MMBtu)

	Japan/Korea	South China/ Taiwan	West India	South West Europe	North West Europe	North East US	Argentina	Brazil	Egypt
Middle East	0.97	0.86	0.27	1.07	1.19	1.29	1.20	1.41	0.59
Australia	0.65	0.54	0.62	1.53	1.65	1.38	1.22	1.49	1.02
Trinidad	2.68	2.53	1.83	0.71	0.68	0.41	0.77	0.56	1.33
Trinidad (via Panama Canal)	1.84	2.20	—	—	—	—	—	—	—
Trinidad (most economic)	1.84	2.20	1.83	0.71	0.68	0.41	0.77	0.56	1.33
Nigeria	2.15	1.93	1.47	0.94	0.96	1.04	1.00	0.91	1.55
Algeria	2.03	1.88	1.22	0.24	0.39	0.63	0.99	0.90	0.74
Belgium	2.30	2.08	1.42	0.35	—	0.57	1.10	1.01	0.93
Peru	1.37	1.56	1.71	1.43	1.44	1.19	0.59	0.90	1.89
Russia	0.28	0.39	0.93	1.84	1.90	1.86	1.53	2.16	1.34
Spain	2.12	1.91	1.32	—	0.35	0.56	1.01	0.86	0.76
Norway	2.61	2.32	1.71	0.55	0.34	0.64	1.32	1.29	1.21
US Gulf Coast (most economic)	1.93	2.30	2.00	0.93	0.89	—	1.19	0.97	1.56
US Gulf Coast (via Panama Canal)	1.93	2.30	—	—	—	—	—	—	—
US Gulf Coast (via Suez Canal)	2.92	2.62	2.00	—	—	—	—	—	1.56
US Gulf Coast (via Cape)	2.84	2.61	2.27	—	—	—	—	—	2.32

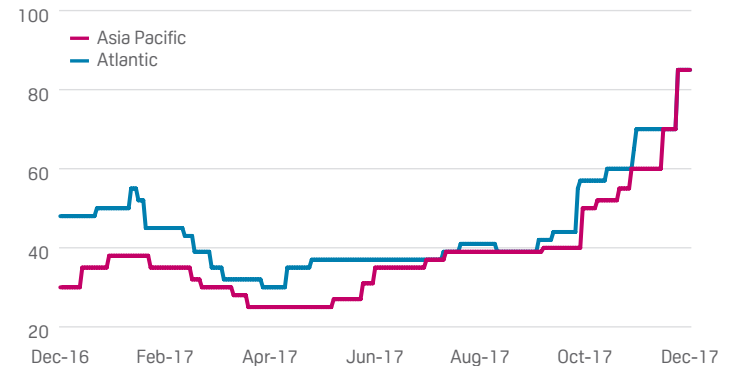
All values calculated based on prevailing spot market values during the day for LNG, bunker fuel and ship chartering. No route cost is calculated for Zeebrugge to NW Europe, or Spain to SW Europe. Other routes appear blank on days when a public holiday in one or another location means underlying values are not published. Detailed assessment methodology, including assumed route times and underlying values, is found on www.platts.com

SHIPPING PRICES

SHIPPING RATES: AUG 3

Asia Pacific day rate (\$/day)	58,000
Atlantic day rate (\$/day)	70,000
PLF1 Middle East Japan/Korea (\$/MMBtu)	0.97
PLF2 Middle East NWE (\$/MMBtu)	1.19
PLF3 Trinidad NWE (\$/MMBtu)	0.68

SHIPPING RATES (\$1000s/DAY)



Source: S&P Global Platts

SHIPPING CALCULATOR: AUG 3

	Australia- Japan/Korea	Middle East- India
Ship size (mt)	72980.77	72980.77
Trip length (days)	9	3
Carrier day rate (\$/day)	58000	58000
Day rate cost (\$/MMBtu)	0.30	0.13
Boil-off cost	0.20	0.07
Bunker fuel ex-wharf 380 CST (\$/mt)	461.50	452.15
Fuel oil cost (\$/MMBtu)	0.06	0.02
Cost of voyage (\$/MMBtu)	0.65	0.27

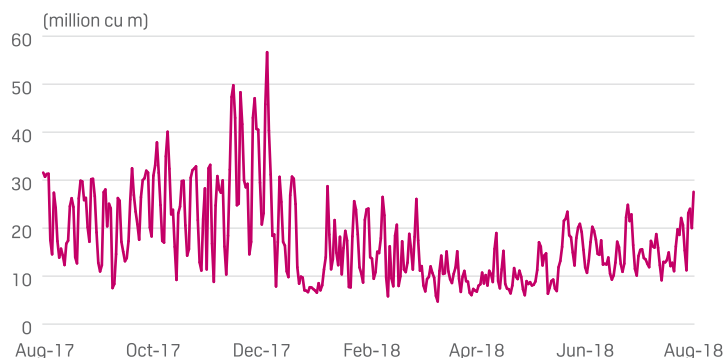
Spanish gas-for-power demand nudges 2018 high, set for further rise

- 28 million cu m used during Thursday's gas day
- Enagas nominations for Friday at 30 million cu m
- LNG regas hits five-week high to cover gas burn

London—Demand for natural gas from Spanish gas-fired power plants came close to reaching a 2018 high during Thursday's gas day due to high temperatures over the country, with Friday's gas-for-power demand expected to increase further, an analysis by S&P Global Platts showed Friday.

Data from S&P Global Platts Analytics showed that Spanish gas-for-power demand hit a six-and-a-half month high of 28 million cu m during Thursday's gas day, the highest daily volume used since January 8, and close to double the July average of 15 million cu m/d.

SPANISH GAS-FOR-POWER DEMAND



Moreover, Enagas 11:00 CEST (0900 GMT) nominations put Friday's gas-for-power demand at 317.08 GWh (30 million cu m), which would be the highest since mid-December last year.

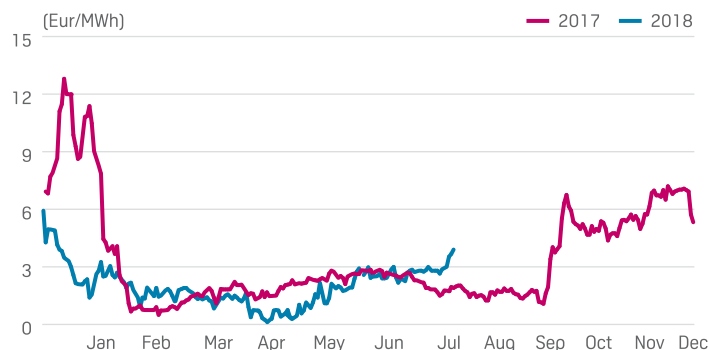
To compensate for the higher gas-for-power demand, LNG regasification in the country increased to a five-week high of 39 million cu m during Thursday's gas day, further boosted by weaker pipeline

imports from neighboring France and steady flows of pipeline gas imported from Algeria.

LNG stocks held in tank in Spain began Friday's gas day at 874 million cu m of natural gas equivalent, higher than at the same time last year where stocks were 672 million cu m.

The expected need to replenish LNG stocks allied to concerns over power imports from France due to potential weaker nuclear generation has seen the PVB prompt extend its premium to the TTF equivalent.

PVB/TTF MONTH-AHEAD BASIS SPREAD



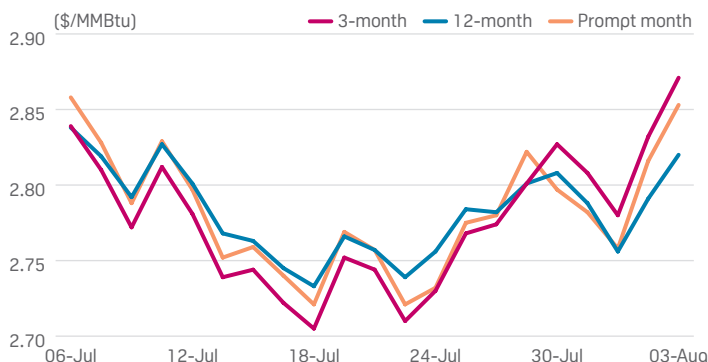
Indeed, the PVB front-month contract was assessed at a Eur3.90/MWh premium to the TTF equivalent on Thursday, the highest prompt spread between the two hubs since early January and comfortably higher than the average PVB premium of Eur1.664/MWh for September 2017 delivery, Platts price data showed. — [Gary Hornby](#)

Croatia's Krk LNG open season deadline extended to September

Belgrade—The deadline for the binding open season second round procedure for the 6 Bcm/year LNG import terminal on Croatia's Krk Island and the associated pipeline has been extended from August 3 to September 28, Croatia's gas TSO Plinacro and the developer LNG

HENRY HUB FUTURES AND STRIPS

	07/30 Mon	07/31 Tue	08/01 Wed	08/02 Thu	08/03 Fri
Sep-018	2.797	2.782	2.758	2.816	2.853
Oct-018	2.817	2.798	2.770	2.822	2.862
Nov-018	2.866	2.843	2.811	2.857	2.898
Dec-018	2.974	2.952	2.919	2.958	2.998
Jan-019	3.057	3.038	3.005	3.043	3.082
Feb-019	3.025	3.005	2.971	3.006	3.045
Mar-019	2.925	2.905	2.868	2.903	2.941
Apr-019	2.635	2.616	2.582	2.605	2.626
May-019	2.608	2.589	2.556	2.578	2.595
Jun-019	2.639	2.619	2.586	2.608	2.624
Jul-019	2.671	2.651	2.619	2.642	2.657
Aug-019	2.677	2.658	2.626	2.648	2.662
3/strip	2.827	2.808	2.780	2.832	2.871
6/strip	2.923	2.903	2.872	2.917	2.956
9/strip	2.856	2.836	2.804	2.843	2.878
12/strip	2.808	2.788	2.756	2.791	2.820



SUBSCRIBER NOTES

Platts to add Gladstone to LNG freight matrix

Following industry consultation S&P Global Platts has decided to add LNG freight costs from Gladstone, Australia, into the existing discharge ports, thereby introducing new voyages from Gladstone to the following nine destinations: Japan/ Korea (Futtsu), South China/Taiwan (Guangdong Dapeng), West India (Dahej); Southwest Europe (Huelva); Northwest Europe (Zeebrugge); Northeast US (Everett); Brazil (Salvador Bahia); Argentina (Bahia Blanca) and Egypt (Ain Sukhna). These would be published in Platts LNG Daily and on the Natural Gas Alert page 1025, from August 20 2018.

The voyage length in days for these voyages are estimated as follows: 9 (Futtsu), 10 (Guangdong Dapeng), 15 (Dahej), 27 (Huelva via Suez), 30 (Zeebrugge via Suez), 26 (Everett via Panama Canal), 18 (Bahia Blanca), 22 (Salvador Bahia), 21 (Ain Sukhna).

The port cost assumed for Gladstone is USD 240,000. The bunker fuel basis for these routes will be Singapore.

Platts continues to invite comments and queries to lng@spglobal.com and pricegroup@spglobal.com

AOT Trading AG, Prism Energy and SOCAR Trading (UK) Limited to join Asia JKM LNG physical, derivatives MOC

AOT Trading AG, Prism Energy International Pte Ltd, and SOCAR Trading (UK) Limited have advised S&P Global Platts that they would like to participate in the Platts Market on Close assessment process for Asia JKM LNG physical and derivatives.

Platts has reviewed all three companies and will consider information from all three entities in the assessment process for Asia JKM LNG physical and derivatives, subject at all times to adherence with Platts editorial standards.

Platts will publish all relevant information from the aforementioned companies accordingly.

Platts welcomes all relevant feedback regarding MOC participation.

Platts considers bids, offers and transactions by all credible and creditworthy parties in its assessment processes.

Entities that wish to register to participate in the MOC process should contact pricegroup@spglobal.com.

For comments and feedback, please contact Platts editors at lng@spglobal.com and pricegroup@spglobal.com.

Croatia said Thursday.

LNG Croatia said it had opted to prolong the deadline for closing the second round to September 28, at the latest, "following the receipt of requests from potential terminal users for an extension of the timeframe for bid submission." This practically means bidders may submit supplemented or new bids until that date.

In coordination with Plinacro and Hungary's natural gas TSO FGSZ, LNG Croatia approved a new timetable for implementing the remainder of the second binding round. The new timetable for booking capacity in the second round of the open procedure will be forwarded to all companies that registered for participation in the process, LNG Croatia said.

Plinacro and LNG Croatia will jointly implement the LNG project, which includes construction of the LNG terminal on the island of Krk and a pipeline for delivery of gas from the LNG terminal.

Plinacro said it has harmonized its own open season time schedule for carrying out the relevant procedure with the LNG Croatia open season procedure; however, two separate open season procedures (one by Plinacro/FGSZ and another by LNG Croatia) will be carried out since Plinacro/FGSZ and LNG Croatia offer different products.

After a binding offer is accepted by the terminal operator, the respective customer will be able to sign a long-term contract with LNG Croatia to finally book the previously allocated capacity.

The planned start of operations of the LNG Terminal is envisaged for January 1, 2021, the Croatian TSO said in a statement. Therefore, the annual capacity product for gas year 2020/2021, for entry at the Omišalj and Dravaszerdahely interconnection, will be available from January 1, 2021, and charged accordingly. — [Vladimir Pekic](#)

JKM WEEKLY: LNG for Sep higher on demand from Japan, S. Korea

Singapore—Spot prices ended the week significantly higher on robust northeast Asian demand driven by high summer temperatures, as well as tight Pacific basin supply.

Spot prices ended the week significantly higher on robust northeast Asian demand driven by high summer temperatures, as well as tight Pacific basin supply.

The Asia LNG benchmark JKM rose 34.2 cents/MMBtu week-on-week to \$10.10/MMBtu DES Friday. For September, heatwave-related demand in Japan and South Korea remained a key concern, with market participants saying that they expected September demand to firm up amid rising prices.

Despite the recent passage of Typhoon Jongdari over Japan, the country was still expected to see higher-than-average temperatures into early August, according to the Japan Meteorological Agency.

Prices broke the \$10/MMBtu mark for September delivery in the middle of the week, reflecting a clear contango structure through October. There was a lack of spot trading liquidity throughout the week despite strong end-user demand, as sellers were riding on bullish sentiment and holding on to volumes, sources said.

But there were still several bids and offers submitted in the Platts Market on Close assessment process during the week by five companies: Vitol, Trafigura, BP Singapore, Diamond Gas and Socar Trading.

Angola LNG's supply tender was heard awarded mid-week at \$9.65-\$9.70/MMBtu to a European trader for delivery to China. The tender offers an August-delivery cargo, with destination restriction of no further than South China.

Meanwhile, supply uncertainty still lingered around Petronas' Bintulu LNG facility, which posted significantly lower loaded volumes year on year in July, S&P Global Platts Analytics data showed. Some of the committed volumes were heard to have been pushed back for delivery at a later date, sources said.

Further out, rising concerns over fourth-quarter spot pricing and market outlook have prompted interest from Indian and Northeast Asian end-users to procure forward. South Korea's Posco was heard to have awarded a October 25-30 delivery cargo in a two-cargo tender at close to \$10.95/MMBtu DES. The second cargo, a November delivery, was heard not awarded. — [Kenneth Foo](#)