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LPGaswire

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Daily assessments $/mt

Northwest Europe

		Propane			Butane	
FOB seagoing		870 - 875		+10	790 - 795	+10
FOB ARA		830 - 835			810 - 815	
FCA ARA	-5	905 - 910	-5		820 - 825	
CIF 1-3000mt	-10	930 - 935	-10		835 - 840	
CIF 3000+mt				+10	810 - 815	+10
FOB 3000+mt				+10	781 - 786	+10
CIF 7000+mt	-17	850 - 855	-17			
FOB 7000+mt	-17	834 - 839	-17			
Freight rates ($/mt)		16.00			29.00	

Propane swaps (basis CIF NWE)

1st month	-3	843.00 - 847.00	-3
2nd month	+0	823.00 - 827.00	+0
3rd month	+3	784.00 - 788.00	+3
Quarter	+5	778.00 - 782.00	+5

Naphtha

CIF ARA Cargoes	854.00 - 854.50
CIF Med Cargoes	847.75 - 848.25

West Mediterranean

		Propane		Butane
FOB Ex-refinery/storage	-17	870 - 875	-17	850 - 855
FCA Ex-refinery/storage	-17	870 - 875	-17	
CIF 7000+mt	-17	845 - 850	-17	

Daily assessments – Asia $/mt

Asia: Refrigerated

	11:11 Cargoes
CFR Singapore-Japan (H2 Mar)	846.00
CFR Singapore-Japan (H1 Mar)	834.50
CFR Singapore-Japan (H2 Mar)	823.50
CFR Singapore-Japan Cargoes	840.25

		Propane			Butane	
CFR Japan Cargoes (H2 Mar)		850 - 852			840 - 842	
CFR Japan Cargoes (H1 Mar)		836 - 838			831 - 833	
CFR Japan Cargoes (H2 Mar)		825 - 827			820 - 822	
CFR Japan Cargoes	+5	843 - 845	+6	+1	836 - 837	+1
CFR South China Cargoes	+6	843 - 845	+6	+1	833 - 835	+1
CFR Taiwan Cargoes	+6	844 - 846	+6	+1	834 - 836	+1
CFR North Asia Zone	+5	843 - 845	+6	+1	835 - 836	+1

Asia: Pressurized

		Mixed	
CFR Shenzhen	-10	879 - 881	-10
CFR Shanghai	-9	875 - 877	-9

Saudi CP Proxy Value For cargoes delivering into Asia:

CFR Japan/Korea Refrigerated	826 - 828	819 - 821
CFR S China/Taiwan Refrigerated	819 - 821	809 - 811
CFR Shenzhen/Shanghai Pressurized	924 - 926	

Asia Premiums over Saudi CP Proxy Values:

		Propane			Butane	
CFR Japan Refrigerated	+8	16 - 18	+9	+9	16 - 17	+9
CFR Korea Refrigerated	+8	13 - 15	+9	+9	13 - 14	+9
CFR S China Refrigerated	+16	23 - 25	+16	+16	23 - 25	+16
CFR Taiwan Refrigerated	+16	24 - 26	+16	+16	24 - 26	+16

Northwest Europe

Propane

CARGOES: Spot prices fell Monday as sentiment for the second half of February turned more bearish. "I think there is a weakening of the market as we move into second-half territory," said one source. Stasco was a seller of 20.5 kt CIF February 10-28 at 25% $843/mt and 75% February quotes minus $3/mt. Statoil was a seller of 20.5 kt CIF February 10-16 at $880/mt and February 1-15 quotes plus $5/mt. Glencore was a buyer of 20.5 kt CIF February 10-12 at 25% $850/mt and 75% February quotes flat/mt.

COASTERS: The coaster market remained flat and lifeless Monday with little discussion and no confirmed public trades. "It has been absolutely dead," said one source. Although there was no reported buying interest spot availability was confined to terminal product as refinery tonnes continued to largely move inland.

ARA: There were no signs Monday of any increase in spot demand for FCA tonnes and, with forecasts of milder weather for Germany, traders were not optimistic that there would be any increase in buying interest over the short term. A very small quantity on truck was said to have been done at $915/mt, but other selling indications were reported at slightly lower levels.

Butane

CARGOES: Spot prices moved higher Monday tracking stronger naphtha. Industry sources said that although buying interest for mixed butane remained scant prior to the last decade of February, there was some petchem demand for normal tonnes. "There is more interest for normal butane than mixed butane," said one trader. Workable CIF levels for mixed were still assessed to be at around 95% of naphtha.

Daily assessments – Asia (cont.) $/mt

	Propane			Butane		
Asia Premiums over Saudi CP Proxy Values:						
CFR Shenzhen Pressurized	-10	-46 - -44	-10			
CFR Shanghai Pressurized	-9	-50 - -48	-9			
AG: Refrigerated						
Spot FOB AG Cargoes		803 - 805			796 - 797	
Spot FOB AG Monthly Average to Date		824.45 - 825.80			821.70 - 823.05	
Saudi Aramco Contract Price		935.00			920.00	
Spot FOB AG Saudi CP Proxy Value		826 - 828			819 - 821	
FOB AG Spot Premiums over Saudi CP:						
FOB AG Spot Premium	+9	-24 - -22	+10	+10	-24 - -23	+10
FOB AG Premium(Feb)	+16	-17 - -15	+17	+17	-14 - -13	+17
FOB AG Premium(Mar)		-1 - 1			-1 - 1	

Daily assessments US ¢/gal

US

	Non-LDH Mt Belvieu	LDH Mt Belvieu	Conway
E/P Mix	-55.000 - 55.100-		44.950 - 45.050
Ethane Purity	-59.200 - 59.300-		
Propane	-133.700 - 133.800-	-133.900 - 134.000-	+126.950 - 127.050+
$/mt	696.58 - 697.10		
Normal Butane	-169.700 - 169.800-	-170.200 - 170.300-	+165.700 - 165.800+
$/mt	768.74 - 769.19		
Iso-Butane	-182.200 - 182.300-	182.400 - 182.500	+184.200 - 184.300+
Natural Gasoline		+219.450 - 219.550+	+212.950 - 213.050+
Non-Targa	+218.950 - 219.050+		
Targa	+220.200 - 220.300+		

US LPG alternate hub prices

	Bushton	Hattiesburg	River
Propane	+127.450 - 127.550+	-140.950 - 141.050-*	
Natural gasoline			+220.200 - 220.300+**

NYMEX

Natural gas MAR ($/MMBtu)	4.42
Light sweet crude MAR ($/bbl)	92.19

NYMEX light sweet crude*

MAR	92.13
APR	94.21
MAY	95.71

*Note:*Platts assessments of crude oil futures values prevailing exactly at 3:15 pm Eastern Time follow:*

US propane swaps

Q2 2011	129.70 - 129.80	FEB	133.70 - 133.80	APR	120.20 - 120.30
Q3 2011	121.00 - 121.10	MAR	125.20 - 125.30		

** Hattiesburg product is for in pipe. ** River means on barges in various points of Mississippi River in Louisiana*
Note: Spot prices exclude terminaling

Monthly rolling averages $/mt

	Propane	Butane
Europe FOB Seagoing	906.00 - 911.00	
Europe CIF 7000+MT	892.00 - 897.00	
Arab Gulf	824.45 - 825.80	821.70 - 823.05

Postings/contracts $/mt

		Propane	Butane
FOB N Sea:PPAP*/PBAP**	(eff JAN 1)	983.79	864.12
FOB Algeria	(eff JAN 1)	975.00/975.00***	860.00
FOB Saudi Arabia****	(eff JAN 1)	935.00	920.00

**Platts propane average price. **Platts butane average price. ***Propane at Bethioua and Skikda respectively.*
***** Kuwait, Abu Dhabi and Qatar posted the same prices as Saudi Arabia.*

COASTERS: The market remained firmly in the doldrums Monday with refinery tonnes still said to be tight, apart from one cargo reported to be available from North France. There was, however, reported to be some potential buying interest from petchems for normal butane at CIF prices around naphtha parity.

ARA: According to sources Monday the market opened the new working week on a quiet note with some refinery product said to be offer, but gasoline blending demand was seen to be thin and there were no reported trades. “Blenders have disappeared from the market,” commented one player.

West Mediterranean

Propane

Industry sources Monday said there were no major changes to the market with only limited demand for propane exports from Lavera apart from a small lot for Corsica loading at the end of this week.

Butane

According to sources Monday an export of 6,000 mt was currently loading at Lavera, but there were no other reported nominations for butane exports. Both public selling interest and public buying interest for spot Lavera product appeared to be fairly muted.

Arab Gulf

Saudi Aramco has set its February Contract Price for propane and butane at $820/mt and $810/mt, respectively, a source close to the Middle Eastern exporter said Monday. The February propane CP is down $115/mt from January, while the butane CP is down $110/mt. The February CPs for both propane and butane were set at the lower end of market expectations. Trade sources that Platts spoke to late last week had expected the February propane CP to be pegged between $820/mt and $850/mt, while the butane CP was expected to be at between parity and a $5-10/mt discount to propane. But one Japanese trader said Monday that as Saudi Aramco was offering a February-loading refrigerated propane cargo at $815/mt last week, the CP was not surprising.

Asia

REFRIGERATED: On the first day of the Asian trading week participants were heard to be reviewing their positions and programs for March arrival product, as Saudi Aramco's February Contract Prices, announced Monday, were apparently at the lower end of what was expected. "It's just the beginning of the week; CP has only been announced. The way CP has been set, traders now expect the market direction to change ... the [February/March] contango will widen," said a Japanese importer. "Last week they [Saudi Aramco] were trying to sell [early February loading] propane at $815/mt, offered down to $812-813/mt, but couldn't sell, and they have set [February propane] CP at $820/mt. So, while it appears that the CP has been set lower than market expectations, it's not exactly low given the current market fundamentals," a Singapore-based Japanese trader said. Meanwhile, amid lackluster trading, a $12/mt rise in front-month Brent futures led first-line CFR propane prices to rise $7/mt to $851/mt, while CFR butane values inched up $2/mt to $841/mt from Friday. The contango for February/March propane CP swaps widened from minus $1/mt Friday to minus $13/mt Monday.

Americas

Heavy natural gasoline prices increased Monday, the first day of February pricing. Civil unrest in Egypt continued to provide support for surging crude oil prices, but was unable to swing NGL prices. "Heavy natural gasoline is more affected by liquid price swings," a refiner commented. Light-end ethane prices slipped to 59.25 cents/gal, down over a penny from Friday. Demand from the petrochemical sector weakened, as market sources noted some plant maintenance had eaten into consumption. "Ethylene spot [pricing] had been trading higher last week, and ethane price is trading lower [today]," a petchem producer said. Prior to the Platts Market on Close assessment process, non-LDH propane was heard talked at 134.25 cents/gal, non-LDH normal butane was heard talked at 170.25 cents/gal, and non-Targa natural gasoline was heard talked at 220.25 cents/gal. March crude was trading at $92.34/b. During the Platts MOC process, there were four trades at 219 cents/gal for February non-Targa natural gasoline. DCP bought 25,000 barrels from Lukoil, Statoil bought 25,000 barrels from Lukoil, and Koch bought 25,000 barrels from Lukoil. ConocoPhillips bought 25,000 barrels from Glencore. There were no trades for normal butane or propane.

News

Saudi Aramco sets Feb propane CP at $820/mt, down $115/mt from Jan

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Japan's Mitsubishi Apr-Dec net profit soars 93.8% year on year

Japanese trading house Mitsubishi posted a 93.8% year-on-year surge in net income for the April-December period, at Yen 359.70 billion ($4.38 billion) on rising commodity prices, the company said Monday. Mitsubishi also posted an operating profit of Yen 266.46 billion in the nine months to December 31, up 114.3% from a year ago, while its revenue jumped 15.2% year on year to Yen 14.338 trillion, the company said. Mitsubishi's energy business group, which deals with upstream oil and gas developments and trades crude oil, refined projects, LPG, LNG and carbon materials, posted a net profit of Yen 73.2 billion in the nine-month period, up 76% from a year ago on rising crude oil prices, the company said. Mitsubishi's chemicals group posted a net profit of Yen 21.4 billion for the April-December period, down 16.7% from a year ago – reflecting the absence of a gain on reversal of deferred tax liabilities of a petrochemical business-related company in the quarter a year ago – despite higher earnings from its petrochemical business-related company, it added. Meanwhile, Mitsubishi has maintained its income forecast for the fiscal year ending March 31. Mitsubishi is forecast to post a net profit of Yen 400 billion on revenue of Yen 19 trillion in fiscal 2010-2011 (April-March).

North Sea mixed butane cargo sold into petrochemicals sector

A delivered cargo of North Sea mixed butane has been sold into the petrochemicals sector, according to industry sources. Norwegian major oil company Statoil confirmed at the end of last week selling an 8,600 mt cargo of mixed butane CIF February 6-9 at 95% of February naphtha, although the name of the buyer was kept confidential. Since the beginning of this year some North Sea normal butane has been sold into the petrochemicals sector at CIF prices reported to be close to naphtha parity, but mixed butane had been absorbed into the gasoline related sector as feedstock for MTBE and alkylate production. But with demand from the gasoline related sector covered in the first two weeks of February, any surplus North Sea mixed butane would then have to be sold into the petrochemicals sector. "People are well covered up to the middle of the month," said one source referring to the lack of gasoline related demand. The petrochemicals sector does not usually value mixed butane as highly as normal butane and would tend to seek lower prices for the product.

Kearl oil sands project more than 50% complete: Imperial Oil

Imperial Oil's initial development at its Kearl oil sands project is more than 50% complete and remains on target for start-up in late 2012, the company said in its fourth quarter earnings report Monday. Initial production at the project, located near Fort McMurray, Alberta, is expected at 110,000 b/d, according to the company's report. Imperial Oil added it has begun its 2011 Horn River winter program, which includes drilling exploration wells and the development of a horizontal multi-well pad pilot to evaluate long-term well productivity. The Horn River play is located in northwest Alberta and northeast British Columbia. Also in the report, Imperial Oil said gross production of Cold Lake bitumen averaged 147,000 b/d during the fourth quarter 2010, up from 134,000 b/d in the same quarter in 2009. The higher volumes were a result of improved facility reliability as well as the "cyclic nature of production at Cold Lake," the company said. For the year, production of Cold Lake bitumen increased from 141,000 b/d in 2009 to 144,000 b/d in 2010. Gross production of conventional crude averaged 24,000 b/d in the fourth quarter, unchanged from Q4 2009, according to the report. For the year, production averaged 23,000 b/d in 2010, compared to 25,000 b/d in 2009. Lower production was attributed to planned maintenance at the Norman Wells field and natural reservoir decline, Imperial Oil said.

Valero says Aruba refinery operating at planned rates after restart from early Jan

Valero is currently operating its Aruba refinery at planned rates, company spokesman Bill Day said Monday, after a restart of the 235,000 b/d refinery began in early January. "It's been operating at planned rates since the weekend," Day said. The Aruba refinery, idled in the summer of 2009 because of poor refining margins, completed a plantwide turnaround in the middle of December. The Aruba refinery's output includes intermediate products for other refineries and some finished refined products for export to countries besides the US.

Huntsman reports outage at TX olefins plant; production resuming

The Huntsman Corporation expected its Port Neches, Texas, olefins plant to resume on-spec production by end of business day Monday, a company spokesman said, two days after the complex suffered an electrical power failure. The outage, which occured early Saturday, resulted in flaring and releases of ethylene, propylene and other chemicals into the atmosphere, according to a company filing with the Texas Commission on Environmental Quality. The outage interrupted olefins production, Huntsman spokesman Gary Chapman confirmed. Huntsman's Port Neches complex has an ethylene production capacity estimated at 400 million lb/year. In the spot market Monday, ethylene was talked higher to close the month, with January ranges at 45-46.50 cents/lb MtB Wms and February at 45.750-46.50 cents/lb.

Suez Canal operating normally; shippers wary of delays

Shipping movements through the Suez Canal are continuing as normal Monday despite the unrest in Egypt, although a slowdown may be on cards as some shipowners are finding it difficult to pay fees to Egyptian agents, shipping sources said. "Those ships that have paid their fees previously are currently moving through the canal. The fresh applicants are finding it difficult to make bank remittances," said a shipping agency source at the city of Suez. The fees for moving shipping through the Suez Canal are paid into the accounts of the ships agents by shipowners, who in turn make the payment to the Suez Canal authority. Oil traders are keeping a close eye on developments in Egypt, particularly in the city of Suez, due to the potential effect on traffic through the strategic canal. "The concern is if things become lawless with the lootings which may lead to staff not going to work at the refineries and the canal," said a trader from a major oil company. There were market reports that there were potentially delays in the Red Sea due to slower than usual operations at the canal. "We saw stories about vessels not being able to get [Suez Canal] security staff on board. This may lead to delays in the Red Sea if boats do not get through," a trader said. The protests against the government of President Hosni Mubarak, which were continuing for a seventh day Monday, have led to many banks being shut, making it difficult for businesses to carry out cash transfers. "At the moment we are paying the Suez Canal fees for our principals from our own money. We will soon run out of cash if the situation doesn't improve," the shipping agency source said, adding that there had been long queues at banks which are open to draw out cash as ATMs in the city have run out of money. The Egyptian army and navy are reportedly supervising the transit of vessels through the vital sea link that connects the Red Sea with the Mediterranean Sea, and a source at the Suez Canal Authority said the waterway was operating without any problems. "Everything is OK on the Suez Canal," the source said. The canal, which is 120 miles long, is a key sea lane moving crude and other oil products from the Middle East and Asia to Europe and vice versa. An estimated 1 million b/d of crude and refined products moved north from the Suez Canal to the Mediterranean Sea in 2009, while 800,000 b/d moved southbound into the Red Sea, according to the latest figures from the US Energy Information Administration. Shipping industry sources said any disruption to the canal would likely have a big impact on the market, as it would force tankers to make the much longer journey around the Cape of Good Hope. "The canal has not been closed in more than 35 years so it is hard to say what will happen [to the Mediterranean market]," said one source. Another shipping source, following gasoline cargoes heading trans-Atlantic from Northwest Europe to the US Gulf Coast, suggested there would be no short-term impact on this market. "Right now we do not seem to affected," the source said. "It should [effect the trans-Atlantic] eventually as it will have a huge impact on tonnes per mile." Over 35,000 ships transited the Suez Canal in 2009, of which 10% were petroleum tankers, according to the US Energy Information Administration. As well as crude oil, the route is commonly used by tankers carrying jet fuel from the Middle East to Europe, and traders said any delays would likely push jet prices higher. "If we were to lose few cargoes of jet by going around the Cape of Good Hope, this will have an impact on prices. We are already undersupplied by 300,000 mt in Northwest Europe," said one jet trader. Diverting traffic from the Suez Canal will add about 12 days to the a typical journey to Europe, with an additional 12 days for the vessel to go back to its loading port in the Persian Gulf. This would likely have a big impact on the availability of vessels in the market, pushing up shipping rates.

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