



### The LPG Product Market

Product prices in Europe were well supported through the first half of March, but prices eased with waning heating sector although petchem demand remained firm. In Asia prices firmed towards the end of the month on supply concerns due to modest Middle East export levels and disruptions in the loading program from the US Gulf due to fog and a spill on the Houston ship canal following an accident at a petchem plant. At one point more than a dozen VLGCs were waiting offshore to enter the Houston ship canal. Despite of these disruptions, US LPG exports for March is still the largest volume ever seen in a single month. 45 mn bls or 3.7 mill. tonnes of LPG was exported from the US in March. A large share of the volume will reach destinations in Asia in the second half of April and first half of May. The tight supply situation in Asia and robust US product inventory widened the US-Asia arbitrage to levels not seen since November 2015. US domestic demand was slow, and inventories have showed an increase for the second week running to a level 45% above 1 year ago. US propane production was 2.01 mbd for the week ending March 22.

The Saudi CP for April was set at US\$ 515pmt for propane and 535 for butane, up by US\$ 25 for propane and US\$ 15 for butane relative to March.

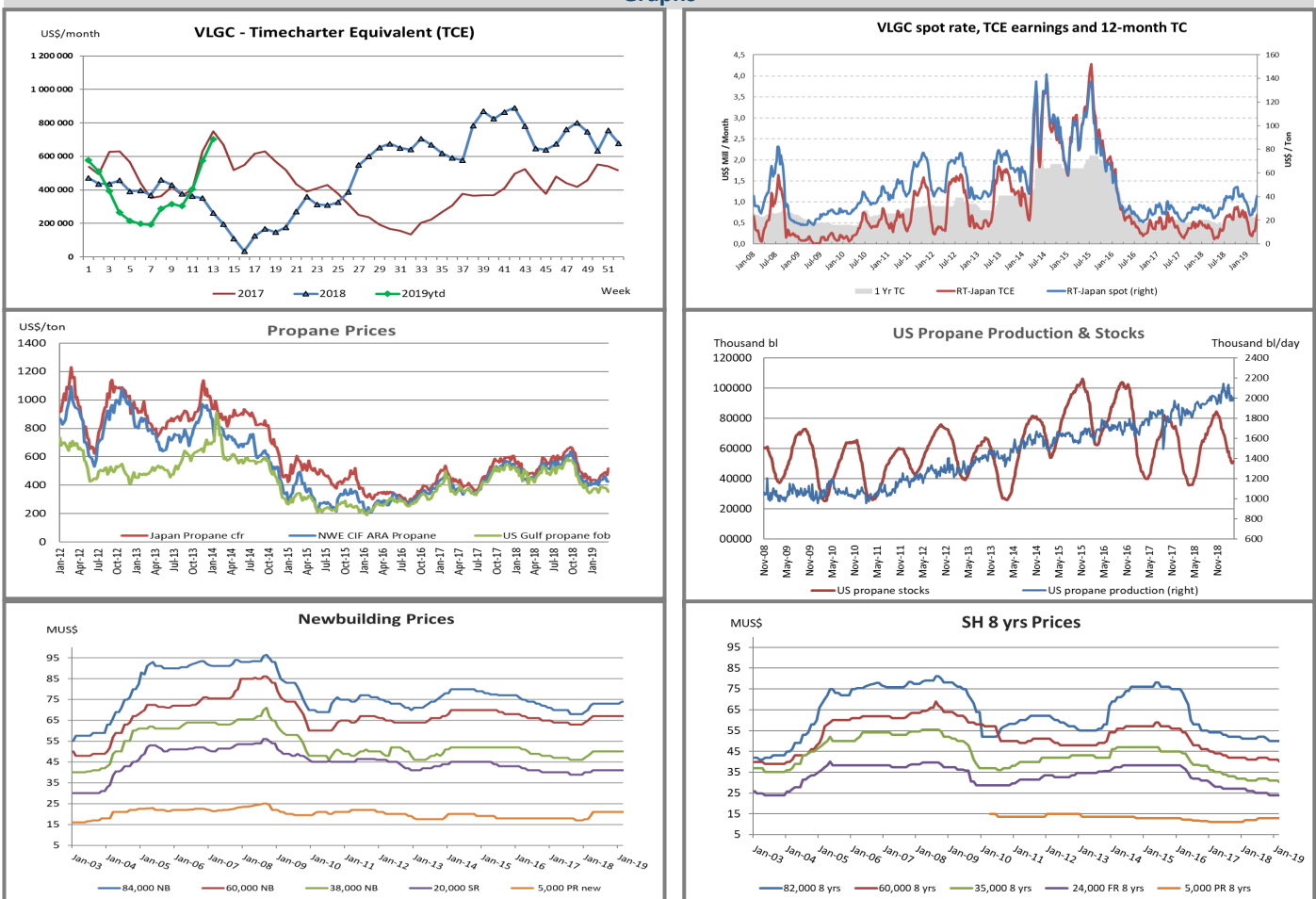
### The LPG Shipping Market

March has been a turning point for the VLGC market with the market tightening considerably. Record output of LPG from the US, wide open arbitrage and delays due to fog in the Houston ship channel together with strong underlying fundamentals came together to increase demand. The effect of this became very evident in the second half of the month. During the first half of March the Baltic remained steady and fairly flat but as the month ended the Index finished just below US\$ 40, the highest level since December 2018. The next available vessels are now on second half May dates.

The Midsize segment remains lacklustre especially in the West. There has been more activity in the East but in general freight rates are under pressure and owners are still experiencing significant idle time.

The Handy sector is also subdued in much the same way as its Midsize cousin. Coasters remain the star of the show with in particular petchem cargoes providing good employment. Even the larger Pressurised vessels have seen a solid upturn and most are now employed well forward.

### Graphs



### Disclaimer

*Disclaimer: The information contained within this report has been collected from a number of market sources and is given in good faith without guarantee, for information purposes only. Lorentzen & Stemoco and its affiliates, directors and employees are not liable or responsible for any consequences whatsoever occurring from errors or inaccuracy of the information contained within this report.*