EXECUTIVE MARKET BRIEF

LPG Market Intelligence

Commercial freight, vessel supply, cargo demand and risk - distilled into one weekly view

MARKET CALL	FREIGHT	RISK	MOMENTUM	HORIZON
SOFT	VERY WEAK	ELEVATED	STABLE	IMMEDIATE

CHARTERER-LEANING

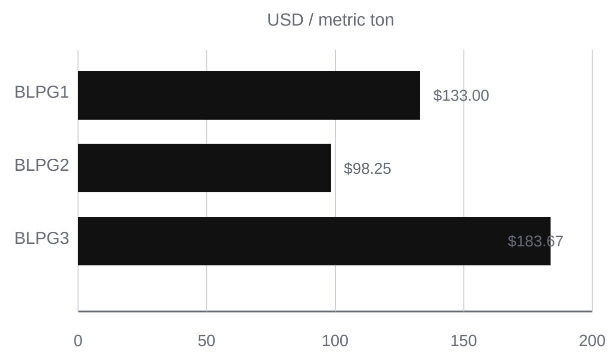
MEG-Asia: Very weak
USG-Asia: Very weak
Updated 18 Aug 2026

EXECUTIVE READ

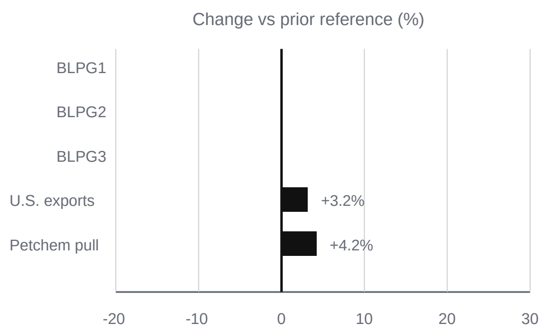
VLGC freight is very weak while prompt tonnage is very strong. U.S. export supply is balanced and Asian demand is balanced. Route economics remain widening usg premium, so cargo enquiry and arbitrage are more important to the near-term freight direction than vessel supply alone.

EARNINGS & MOMENTUM DASHBOARD

CURRENT SPOT FREIGHT



CHANGE VS PRIOR REFERENCE



MARKET DRIVERS

Driver	Read	Why it matters
VLGC Freight Strength	Very weak	BLPG route direction is the dominant near-term commercial signal.
U.S. Export Supply	Balanced	U.S. propane supply determines long-haul cargo availability from the Gulf Coast.
Middle East LPG Supply	Structural supply context	Gulf production is structural context; only representative exports may score.
Asia Import Demand	Balanced	China/India anchored destination demand drives long-haul cargo pull.
VLGC Tonnage Tightness	Very strong	A tight prompt position list can amplify any rebound in cargo enquiry.
Route Economics / Routing	Widening USG premium	The USG-MEG freight premium changes the hurdle for long-haul cargo economics.

WEEKLY TAKEAWAYS

FREIGHT

Freight direction across BLPG1, BLPG2 and BLPG3 remains the primary market signal.

DEMAND

Asian pull is mixed and should be read destination-by-destination.

SUPPLY & ROUTING

Prompt tonnage tightness and routing risk remain the main owner-side upside.

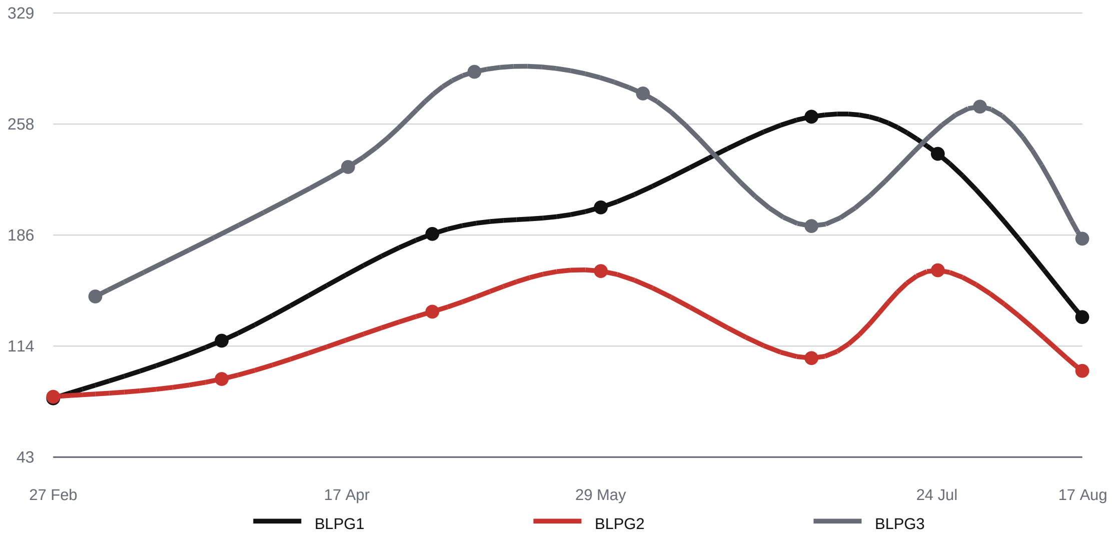
LPG FREIGHT & FLEET DEEP DIVE

Freight & Tonnage

VLGC freight regime, tonnage tightness and bargaining power

Freight is very weak across the three public Baltic LPG routes. The move should be read alongside very strong prompt tonnage: weak freight despite a tight position list points to cargo enquiry and route economics overwhelming the immediate vessel-supply constraint.

LPG SPOT FREIGHT EVOLUTION



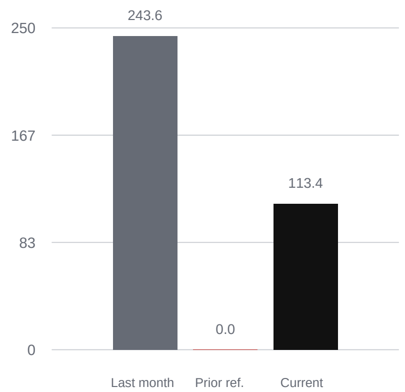
ROUTE ECONOMICS

Route	Latest	Prior ref.	Last month
BLPG1 Ras Tanura-Chiba	$133.00	n/a [14 Aug 2026]	$247.50 [17 Jul 2026]
BLPG2 Houston-Flushing	$98.25	n/a [14 Aug 2026]	$132.75 [17 Jul 2026]
BLPG3 Houston-Chiba	$183.67	n/a [14 Aug 2026]	$246.83 [17 Jul 2026]

COMMERCIAL READ

The freight tape remains the clearest market signal. Cross-route weakness argues for a demand/arbitrage-driven correction rather than a simple regional tonnage story. A rebound requires fresh enquiry to collide with the tight prompt list.

BLPG1 TCE TREND



SUPPLY POSITIONING

Indicator	Latest	Interpretation
VLGC tonnage tightness	Very strong [17 Aug 2026]	Prompt position-list evidence remains the immediate vessel-supply check.
BLPG1 TCE	$113,405/day	MEG-to-Japan earnings read through the same freight regime.
BLPG3 TCE	$88,225/day	USG-to-Japan earnings remain sensitive to long-haul cargo economics.
USG-MEG Asia premium	$62.92/mt [14 Aug 2026]	A wider premium raises the hurdle for long-haul USG cargoes.

DESK VIEW

Prompt VLGC supply remains tight, but owners have not converted scarcity into durable pricing power. Watch the next Baltic assessments and position-list commentary for evidence that cargo enquiry is improving.

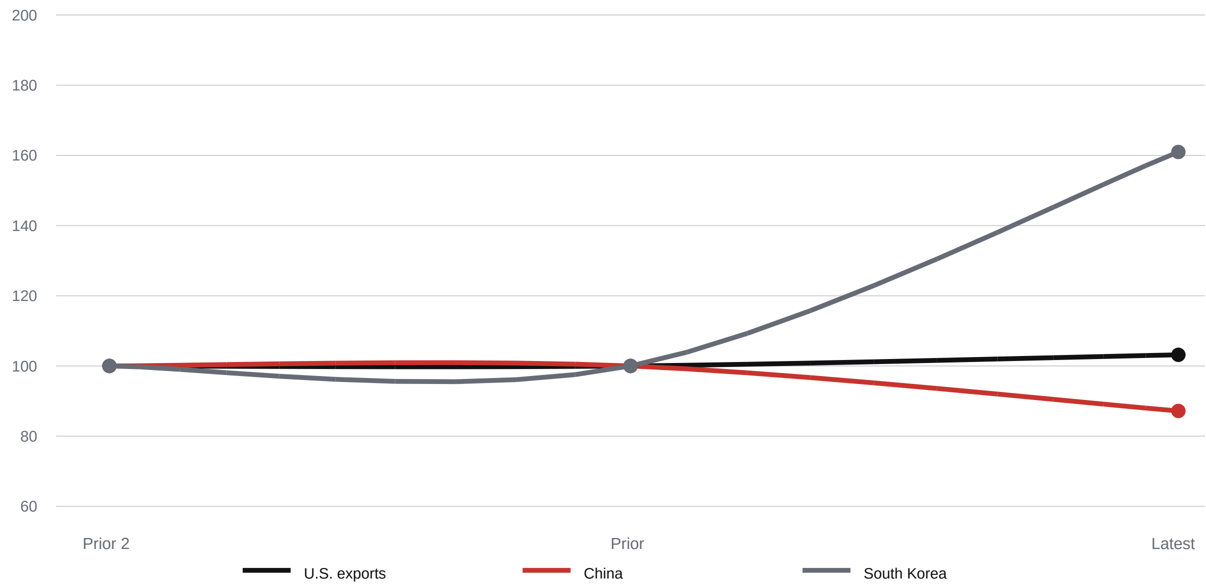
LPG CARGO & TRADE DEMAND

Trade & Petrochemical Pull

U.S. export momentum, Asian destination flows and seasonal demand

U.S. propane supply is balanced while Asian destination demand is balanced. The petrochemical pull proxy is balanced and seasonality is above seasonal norm, leaving the physical-flow picture mixed rather than one-directional.

PHYSICAL FLOW EVOLUTION



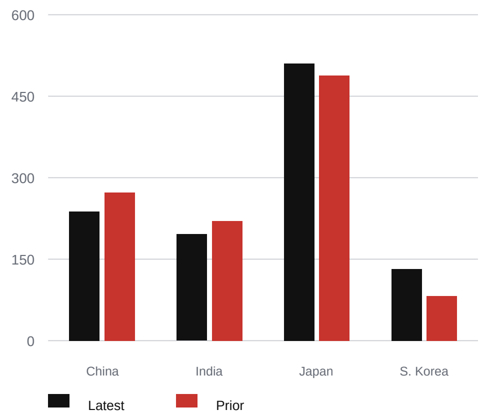
FLOW TABLE

Indicator	Latest	Prior	Change
U.S. propane exports	1,982 kb/d	1,921 kb/d	+3.2%
U.S. propane to China	238 kb/d	273 kb/d	-12.8%
U.S. propane to India	196 kb/d	220 kb/d	-10.9%

DEMAND READ

Asia is not moving in one direction. Destination flows should be read as a portfolio: China and India are the key anchors, while Japan and South Korea can offset or amplify the aggregate demand signal.

ASIA DESTINATION SHIFT



LATEST FLOW & DEMAND READINGS

Indicator	Latest	Prior / ref.	Interpretation
U.S. propane to China	238 kb/d [May 2026]	273 kb/d [Apr 2026]	-12.8% MoM
U.S. propane to India	196 kb/d [May 2026]	220 kb/d [Apr 2026]	-10.9% MoM
U.S. propane to Japan	510 kb/d [May 2026]	488 kb/d [Apr 2026]	+4.5% MoM
U.S. propane to South Korea	132 kb/d [May 2026]	82 kb/d [Apr 2026]	+61.0% MoM

DESK VIEW

The cargo side remains balanced enough to prevent an extreme bearish call, but it has not yet generated the enquiry required to overcome weak freight. The next monthly destination release is the key confirmation point.

RISK & FORWARD VIEW

Risk, Routing & 7-Day Outlook

Where disruption can alter cargo continuity, voyage distance and effective vessel supply

RISK & ROUTING MATRIX

Severity	Area	Market transmission	Commercial implication
Elevated	Routing / security	1400Z TO 1000Z COMMENCING DAILY 16 TO 22 AUG. AREA BOUNDED BY 47-16.3N 151-00.0E 47-16.3N 151-35.0E...	Can alter cargo continuity, voyage distance or effective vessel supply.
Elevated	Routing / security	Swimmer crossing the Strait of Georgia, North of Nanaimo, taking place from 181330 UTC Aug 2026 to 190230 UTC Aug...	Can alter cargo continuity, voyage distance or effective vessel supply.
Elevated	USG-Asia route economics	USG-MEG Asia freight premium remains 62.92 $/mt.	A wide premium can raise the hurdle for long-haul USG cargo economics and suppress BLPG3 enquiry.

FORWARD WATCH

WHAT TO WATCH

- Next BLPG1 / BLPG2 / BLPG3 assessments and whether the current freight regime stabilises.
- Prompt VLGC position-list tightness and fresh cargo enquiry.
- Next EIA weekly U.S. propane export, production and stock release.
- Next EIA destination-flow update, especially China and India.
- Hormuz / Red Sea / canal routing conditions and owner acceptance.

SCENARIO FRAME

BULL Fresh cargo enquiry strengthens while prompt tonnage remains tight, producing a fast freight rebound.

BASE Freight stays soft and volatile as mixed demand and route economics offset tight prompt vessel supply.

BEAR Cargo enquiry weakens further and route economics compress, allowing freight to fall despite a tight prompt list.

7-DAY BASE CASE | SOFT / CHARTERER-LEANING

The seven-day base case remains soft and charterer-leaning. Weak freight is the dominant signal, while tight tonnage and security/routing risk provide the main owner-side upside.

CATALYST GRID

UPSIDE TO OWNER EARNINGS

Tighter prompt VLGC supply; stronger China/India pull; higher U.S. exports; renewed security disruption.

DOWNSIDE TO OWNER EARNINGS

Further BLPG weakness; softer destination flows; weaker arbitrage; easing of security premia.

MONITOR / NEUTRAL

EIA weekly supply; Mont Belvieu propane; USG-MEG premium; position-list commentary; security notices.

SOURCES & METHODOLOGY

This report combines commercial VLGC freight observations from Baltic Exchange LPG assessments; U.S. supply, price and destination-flow data from the U.S. Energy Information Administration; country LPG trade context from JODI Oil; structural Middle East LPG production from OAPEC; and routing/security intelligence from UKMTO, JMIC and connected authority notices. Stale observations remain explicitly dated and are not treated as live headline evidence.

Data cut: latest connected LPG observations through 17 Aug 2026; monthly and structural observations retain their explicit source dates.