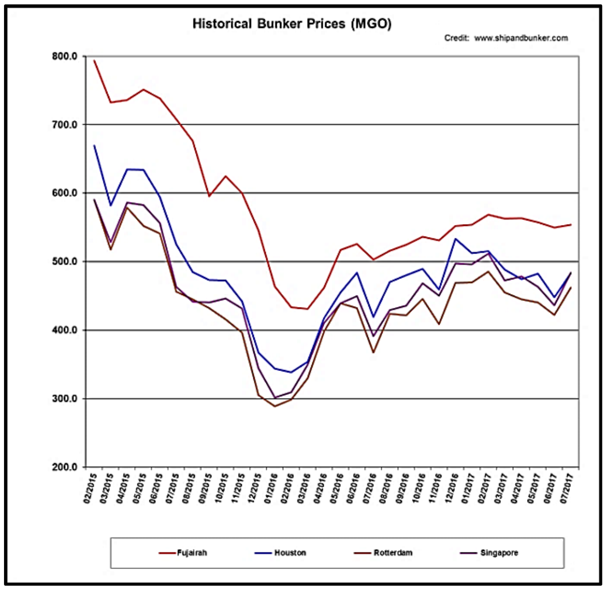
Marcon International, Inc.

Vessels and Barges for Sale or Charter Worldwide

P.O. Box 1170, 9 NW Front Street, Suite 201
Coupeville, WA 98239 U.S.A.
Telephone (360) 678 8880
Fax (360) 678-8890
E Mail: info@marcon.com
http://www.marcon.com

11 August 2017

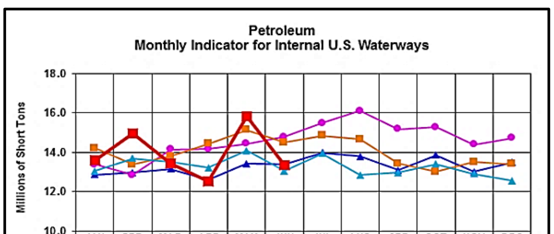
Bunker Price History – July 2017



July 2017's month-end prices ended on an upswing compared to June's, with year-over-year prices within 10.14% to 25.71% compared to July 2016. Fujairah posted a 0.73% increase, end July, closing at US$ 554.0/mt from June's US$ 550.0/mt. July 2016 closed at US$ 503.0/mt, 10.14% above last year. In the US, Houston recovered its loss from June, ending up 7.81% from June's US$ 448.0/mt, closing at US$ 483.0/mt, which is 15.14% above last year's US$ 419.5/mt. Rotterdam increased from June closing up 9.35% to US$ 462.0/mt from US$ 422.5/mt, and is above last July's US$ 367.5/mt by 25.71%. Rounding out the regions we regularly monitor is Singapore which had a 10.88% increase from June, closing at US$ 484.0/mt from US$ 436.5/mt, and is up by 23.79% or US$ 93.0/mt from July 2016. Since the end of July, MGO prices are up slightly in all locations tracked, with Fujairah up 0.45%, Houston up 2.48%, Rotterdam had an increase of 1.73% and wrapping up with Singapore gaining 0.41%. Every day seems to bring either up- or down-swings in prices, depending on if OPEC countries are cutting back, non-OPEC countries are producing more, or, even like today's headlines, oil prices are down because of the escalating tensions between the U.S. and North Korea. The last time any of the regions we followed reported prices at US$ 1,000+/mt was February 2014 in Houston and the last time we saw US$ 600/mt was November 2015 in Fujairah. Since then, tracking prices has been like following a bouncing ball, leaving one to ask if any of the uncertainty surrounding driving forces for oil prices is ever going to lessen. Forward looking indicators seem to say *"not yet"*.

Kirby Corp. provides a good snapshot of both fuel prices and movement of petroleum cargoes in the U.S. inland river market. Their second quarter 2017 data shows that their average 220 towboats operating 849 inland tank barges paid an average of US$ 1.72/gal, compared to $1.78/gal the prior quarter and $1.35/gal during same quarter 2016. In the inland market, barge utilization was in the mid-80% to high 80% range for the quarter, compared to the high 80% to low 90% range in the first quarter. Operating conditions improved due to better weather, which enhanced operating efficiency and drove lower utilization compared to the first quarter. Seasonally weak demand for the transportation of agricultural chemicals also drove modestly lower sequential utilization. Demand for inland tank barge transportation of petrochemicals and black oil was stable year-over-year, while demand for refined petroleum products and agricultural chemicals was lower. Both term and spot contract pricing were at lower levels relative to the second quarter of 2016. Spot pricing remained stable compared to the 2017 first quarter.

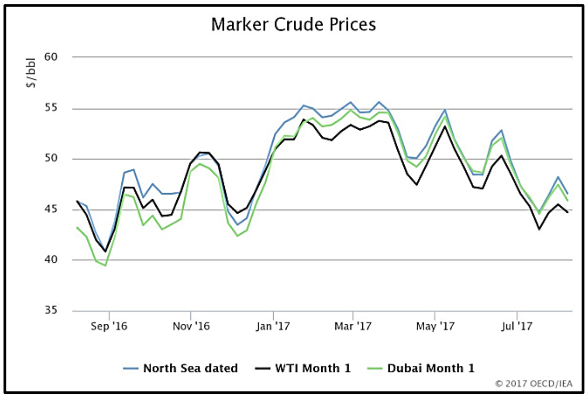
Under U.S. Law, vessel operators must report domestic waterborne commercial movements to the **U.S. Army Corps of Engineers**. 2016 was generally a slower year for internal waterborne petroleum movements. In June 2017, 13.3 short tons of petroleum were carried on internal U.S. Waterways versus 13.1 short tons same month last year. The past two Junes reported the lowest amount carried for that month since June 2011's 11.1 short tons moved. Year-to-date June 2017 has seen a total of 83.7 short tons moved compared to 80.7 short tons moved during this same time period in 2016.



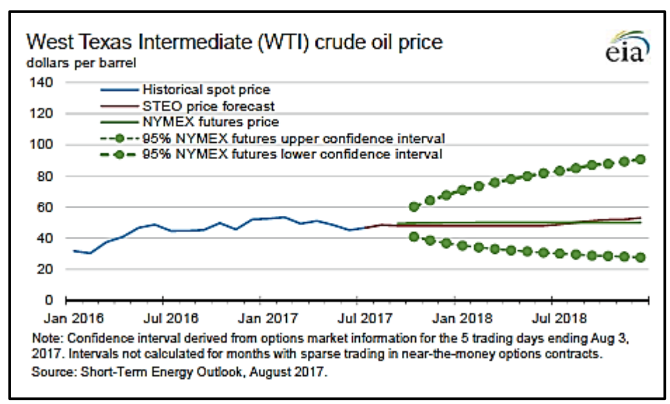
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2013	12.9	13.0	13.2	12.6	13.4	13.4	14.0	13.8	13.1	13.9	13.0	13.5
2014	13.4	12.8	14.2	14.2	14.4	14.8	15.5	16.1	15.2	15.3	14.4	14.7
2015	14.2	13.4	13.8	14.4	15.1	14.5	14.9	14.7	13.4	13.0	13.5	13.4
2016	13.1	13.7	13.5	13.2	14.1	13.1	14.0	12.9	13.0	13.4	12.9	12.6
2017	13.6	15.0	13.5	12.5	15.8	13.3						

P.O. Box 1170, 9 NW Front Street, Suite 201
Coupeville, WA 98239 U.S.A.
Telephone (360) 678 8880
Fax (360) 678-8890
E Mail: info@marcon.com
http://www.marcon.com

Bunker Price History – July 2017 Continued



According to the Paris-based, **International Energy Agency's *"Oil Market Report"***, new data for non-OECD countries for 2015 reduces global oil demand by an average 330 kb/d in 2015-2018. For 2017, growth has been revised up to 1.5 mb/d, with demand reaching 97.6 mb/d. In 2018, growth slows slightly to 1.4 mb/d when demand will be 99.0 mb/d. In 4Q18, demand will reach 100.1 mb/d. In July, global oil supply increased by 520 kb/d versus June. It was the third consecutive monthly increase. Global supply is up 500 kb/d on a year ago. Non-OPEC output is expected to expand by 0.7 mb/d in 2017 and 1.4 mb/d in 2018, including 0.6 mb/d and 1.0 mb/d, respectively, for the US. The ten non-OPEC countries cooperating with OPEC saw their compliance rate improve to 67% in July. OPEC crude output rose by 230 kb/d in July to a 2017 high of 32.84 mb/d, led by a strong recovery in Libya. Output from the 12 members included in the output pact edged up, eroding the compliance rate to 75%, the lowest this year. Year-to-date compliance is 87%. OECD industry stocks fell in June by 19.3 mb to 3 021 mb on strong refinery runs and oil product exports, but are still 219 mb above the five-year average. In 2Q17, global oil stocks drew by 0.5 mb/d, including 0.2 mb/d in the OECD. Provisional data shows further falls in July, including the largest monthly US crude stock draw for more than three years. Benchmark crude prices rose by $1-2/bbl in July with higher crude demand from refiners and anticipated oil field maintenance. Sweet-sour spreads widened for the first time in four months. Strong demand and refinery outages in Europe boosted diesel and gasoline prices. Refining throughput is expected to reach its annual peak in August, with runs at 81.4 mb/d. 3Q17 throughput is forecast to grow 0.9 mb/d y-o-y. Global refining activity will seasonally decline in September and October, before bouncing back in November.



Per the latest **U.S. Energy Information Administration's *"Short-Term Energy Outlook"***, Crude oil benchmark Brent front-month futures prices increased by $2.33 per barrel (b) from July 3, settling at $52.01/b on August 3. The West Texas Intermediate (WTI) crude oil price increased by $1.96/b during the same period, settling at $49.03/b. Brent and WTI monthly average spot prices in July were $2.11/b and $1.45/b higher, respectively, than the June averages. Crude oil prices increased in response to supply-side factors as well as strong U.S. refinery demand. Total commercial crude oil and petroleum product inventories in the United States fell by 22.4 million barrels from June 30 to July 28, compared with a five-year average inventory build of 5.9 million barrels over that period. Also, drilling activity in the United States, as measured by the Baker Hughes active oil rig count, increased by 10 rigs in July, the fewest monthly oil rig additions since the rig count began increasing in June 2016. Some U.S. exploration and production companies recently announced less investment spending for the rest of the year, suggesting the current rate of U.S. oil production growth could slow. EIA forecasts that month-over-month crude oil production increases for the Lower 48 states onshore region will slow to an average of 60,000 barrels per day (b/d) in the second half of 2017, compared with estimated average monthly growth of 110,000 b/d in the first half of the year. Crude oil prices were further supported as the Organization of the Petroleum Exporting Countries (OPEC) member Saudi Arabia announced a cap on the country's crude oil exports in August. However, it is unclear how much extra crude oil this cap would remove from the market given the country's typical seasonal decline in crude oil exports because of an increase in crude oil use for power generation. However, Libya and Nigeria, two other OPEC members, continue to increase crude oil production, a contributing factor in keeping prices near $50/b.

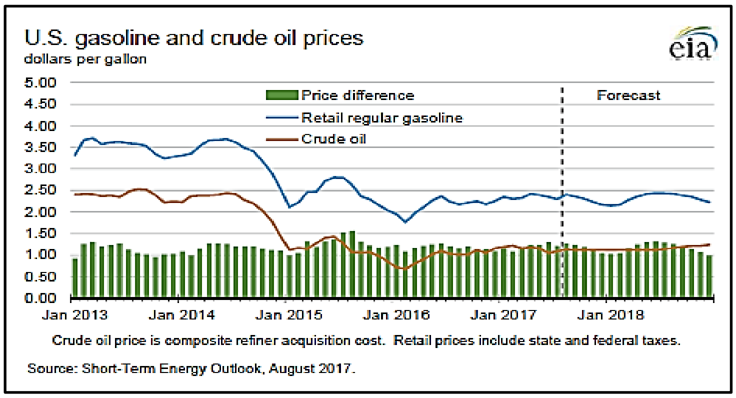
Marcon International, Inc.
Vessels and Barges for Sale or Charter Worldwide

P.O. Box 1170, 9 NW Front Street, Suite 201
Coupeville, WA 98239 U.S.A.
Telephone (360) 678 8880
Fax (360) 678-8890
E Mail: info@marcon.com
http://www.marcon.com

Bunker Price History – July 2017
Continued

Global economic growth expectations remain supportive of liquid fuels demand growth. Second quarter Gross Domestic Product grew 2.6% at a seasonally adjusted annual rate in the United States and grew 6.9% and 2.1% year-over-year in China and the Eurozone, respectively. Furthermore, global inflation data remain below targets set by the major central banks, allowing the continuation of generally accommodative monetary conditions. EIA forecasts global liquid fuels consumption to grow by 1.4 million b/d in 2017 and by 1.6 million b/d in 2018.

EIA forecasts U.S. crude oil production averaged an estimated 8.9 million barrels per day (b/d) in 2016 and is forecast to average 9.3 million b/d in 2017. EIA forecasts crude oil production to average 9.9 million b/d in 2018, which would mark the highest annual average production in U.S. history, surpassing the previous record of 9.6 million b/d set in 1970.



EIA expects U.S. regular gasoline retail prices averaged $2.30 per gallon (gal) in July, down 5 cents/gal from the average in June but 6 cents/gal higher than in July 2016. During the April-through-September summer driving season of 2017, U.S. regular gasoline retail prices are forecast to average $2.37/gal, 14 cents/gal higher than last summer. Annual average U.S. regular gasoline retail prices are forecast to be $2.33/gal in both 2017 and 2018.