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## ***ARGUS INTERNATIONAL LPG***

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The most up-to-date Argus International LPG methodology is available on [www.argusmedia.com](http://www.argusmedia.com)

## Methodology overview

### Methodology rationale

Argus strives to construct methodologies that reflect the way the market trades. Argus aims to produce price assessments that are reliable indicators of commodity market values, free from distortion and representative of spot market values. As a result, the specific currencies, volume units, locations and other particulars of an assessment are determined by industry conventions.

In the international LPG markets, Argus publishes physical market prices in the open spot market as laid out in the specifications and methodology guide. Argus uses the trading period deemed by Argus to be most appropriate, in consultation with industry, to capture spot liquidity.

Additionally, Argus reflects international LPG swap market prices as a bid-offer range over various time ranges depending on the broad regional location of the market, detailed in the methodology below. This approach aligns the financial swap with its underlying regional futures settlement price.

In order to be included in the assessment process, deals must meet the minimum volume, delivery, timing, and specification requirements in our methodology. In illiquid markets, Argus assesses the range within which product could have traded by applying a strict process outlined later in this methodology.

### Survey process

Argus price assessments are informed by information received from a wide cross section of market participants, including producers, consumers and intermediaries. Argus reporters engage with the industry by proactively polling participants for market data. Argus will also receive market data from electronic trading platforms and directly from the back offices of market participants. Argus will accept market data by telephone, instant messenger, email or other means.

Argus encourages all sources of market data to submit all market data to which they are a party that falls within the Argus stated methodological criteria for the relevant assessment. Argus encourages all sources of market data to submit transaction data from back office functions. Argus will contact and accept market data from all credible market sources including front and back office of market participants and brokers.

Throughout all markets, Argus is constantly seeking to increase the number of companies willing to provide market data. Reporters are mentored and held accountable for expanding their pool of contacts. The number of entities providing market data can vary significantly from day to day based on market conditions.

For certain price assessments identified by local management, if more than 50pc of the market data involved in arriving at a price assessment is sourced from a single party the supervising editor will engage in an analysis of the market data with the primary reporter to ensure that the quality and integrity of the assessment has not been affected.

### Market data usage

In each market, Argus uses the methodological approach deemed to be the most reliable and representative for that market. Argus will utilise various types of market data in its methodologies, to include:

- Transactions
- Bids and offers
- Other market information, to include spread values between grades, locations, timings, and many other data.

In many markets, the relevant methodology will assign a relatively higher importance to transactions over bids and offers, and a relatively higher importance to bids and offers over other market information. Certain markets however will exist for which such a hierarchy would produce unreliable and non-representative price assessments, and so the methodology must assign a different relative importance in order to ensure the quality and integrity of the price assessment. And even in markets for which the hierarchy normally applies, certain market situations will at times emerge for which the strict hierarchy would produce non-representative prices, requiring Argus to adapt in order to publish representative prices.

### Verification of transaction data

Reporters carefully analyse all data submitted to the price assessment process. These data include transactions, bids, offers, volumes, counterparties, specifications and any other information that contributes materially to the determination of price. This high level of care described applies regardless of the methodology employed. Specific to transactions, bids, and offers, reporters seek to verify the price, the volume, the specifications, location basis, and counterparty. In some transactional average methodologies, reporters also examine the full array of transactions to match counterparties and arrive at a list of unique transactions. In transactional average methodologies, full details of the transactions verified are published on electronic bulletin boards that are accessible by subscribers. The deals are also published in the daily report.

Several tests are applied by reporters in all markets to transactional data to determine if it should be subjected to further scrutiny. If a transaction has been identified as failing such a test, it will receive further scrutiny. For assessments used to settle derivatives and for many other assessments, Argus has established internal procedures that involve escalation of enquiry within the source's company and escalating review within Argus management. Should this process determine that a transaction should be excluded from the price assessment process, the supervising editor will initiate approval and, if necessary, documentation procedures.

### Primary tests applied by reporters

- Transactions not transacted at arm's length, including deals between related parties or affiliates.
- Transaction prices that deviate significantly from the mean of all transactions submitted for that day.
- Transaction prices that fall outside of the generally observed lows and highs that operated throughout the trading day.
- Transactions that are suspected to be a leg of another transaction or in some way contingent on an unknown transaction.

- Single deal volumes that significantly exceed the typical transaction volume for that market.
- Transaction details that are identified by other market participants as being for any reason potentially anomalous and perceived by Argus to be as such.
- Transaction details that are reported by one counterparty differently than the other counterparty.
- Any transaction details that appear to the reporter to be illogical or to stray from the norms of trading behaviour. This could include but is not limited to divergent specifications, unusual delivery location and counterparties not typically seen.
- Transactions that involve the same counterparties, the same price and delivery dates are checked to see that they are separate deals and not one deal duplicated in Argus records.

### Secondary tests applied by editors for transactions identified for further scrutiny

#### Transaction tests

- The impact of linkage of the deal to possible other transactions such as contingent legs, exchanges, options, swaps, or other derivative instruments. This will include a review of transactions in markets that the reporter may not be covering.
- The nature of disagreement between counterparties on transactional details.
- The possibility that a deal is directly linked to an offsetting transaction that is not publicly known, for example a “wash trade” which has the purpose of influencing the published price.
- The impact of non-market factors on price or volume, including distressed delivery, credit issues, scheduling issues, demurrage, or containment.

#### Source tests

- The credibility of the explanation provided for the outlying nature of the transaction.
- The track record of the source submitting the data. Sources will be deemed more credible if they
  - Regularly provide transaction data with few errors.
  - Provide data by Argus’ established deadline.
  - Quickly respond to queries from Argus reporters.
  - Have staff designated to respond to such queries.
- How close the information receipt is to the deadline for information, and the impact of that proximity on the validation process.

### Assessment guidelines

When insufficient, inadequate, or no transaction information exists, or when Argus concludes that a transaction-based methodology will not produce representative prices, Argus reporters will make an assessment of market value by applying intelligent judgment based on a broad array of factual market information. Reporters must use a high degree of care in gathering and validating all market data used in determining price assessments, a degree of care equal to that applying to gathering and validating transactions. The information used to form an assessment could include deals done, bids, offers, tenders, spread trades, exchange trades, fundamental supply and demand information and other inputs.

The assessment process employing judgment is rigorous, replicable, and uses widely accepted valuation metrics. These valuation metrics mirror the process used by physical commodity traders to internally assess value prior to entering the market with a bid or offer. Applying these valuation metrics along with sound judgment significantly narrows the band within which a commodity can be assessed, and greatly increases the accuracy and consistency of the price series. The application of judgment is conducted jointly with the supervising editor, in order to be sure that guidelines below are being followed. Valuation metrics include the following:

#### Relative value transactions

Frequently transactions occur which instead of being an outright purchase or sale of a single commodity, are instead exchanges of commodities. Such transactions allow reporters to value less liquid markets against more liquid ones and establish a strong basis for the exercise of judgment.

- Exchange one commodity for a different commodity in the same market at a negotiated value.
- Exchange delivery dates for the same commodity at a negotiated value.
- Exchange a commodity in one location for the same commodity at another location at a negotiated value.

#### Bids and offers

If a sufficient number of bids and offers populate the market, then the highest bid and the lowest offer can be assumed to define the boundaries between which a deal could be transacted.

#### Comparative metrics

The relative values between compared commodities are readily discussed in the market and can be discovered through dialogue with market participants. These discussions are the precursor to negotiation and conclusion of transactions.

- Comparison to the same commodity in another market centre.
- Comparison to a more actively traded but slightly different specification commodity in the same market centre.
- Analysis of prices in forward markets for a physically deliverable commodity that allow extrapolation of value into the prompt timing for the commodity assessed.
- Comparison to the commodity’s primary feedstock or primary derived product(s).
- Comparison to trade in the same commodity but in a different modality (as in barge versus oceangoing vessel) or in a different total volume (as in full cargo load versus partial cargo load).

#### Volume minimums and transaction data thresholds

Because of the varying transportation infrastructure found in all commodity markets, Argus typically does not establish thresholds strictly on the basis of a count of transactions, as this could lead to unreliable and non-representative assessments. Instead, minimum volumes are typically established which may apply to each transaction accepted, to the aggregate of transactions, to transactions which set a low or high assessment or to other volumetrically relevant parameters.

For price assessments used to settle derivatives, Argus will seek to establish minimum transaction data thresholds and when no such threshold can be established Argus will explain the reasons. These thresholds will often reflect the minimum volumes necessary to produce a transaction-based methodology, but may also establish minimum deal parameters for use by a methodology that is based primarily on judgment.

Should no transaction threshold exist, or should submitted data fall below this methodology's stated transaction data threshold for any reason, Argus will follow the procedures outlined elsewhere in this document regarding the exercise of judgment in the price assessment process.

### Transparency

Argus values transparency in energy markets. As a result, we publish lists of deals in our reports that include price, basis, counterparty and volume information. The deal tables allow subscribers to cross check and verify the deals against the prices. Argus feels transparency and openness is vital to developing confidence in the price assessment process.

### Swaps and forwards markets

Argus publishes forward assessments for numerous markets. These include forward market contracts that can allow physical delivery and swaps contracts that swap a fixed price for the average of a floating published price. Argus looks at forward swaps to inform physical assessments but places primary emphasis on the physical markets.

### Publications and price data

Argus International LPG prices are published in the Argus International LPG report. Subsets of these prices appear in other Argus market reports and newsletters in various forms, such as Argus LPG World. The price data are available independent of the text-based report in electronic files that can feed into various databases. These price data are also supplied through various third-party data integrators. The Argus website also provides access to prices, reports and news with various web-based tools. All Argus prices are kept in a historical database and available for purchase. Contact your local Argus office for information.

### Corrections to assessments

Argus will on occasion publish corrections to price assessments after the publication date. We will correct errors that arise from clerical mistakes, calculation errors, or a misapplication of our stated methodology. Argus will not retroactively assess markets based on new information learned after the assessments are published. We make our best effort to assess markets based on the information we gather during the trading day assessed.

### Ethics and compliance

Argus operates according to the best practices in the publishing field, and maintains thorough compliance procedures throughout the firm. We want to be seen as a preferred provider by our subscribers, who are held to equally high standards, while at the same time maintaining our editorial integrity and independence. Argus has a strict ethics policy that applies to all staff. The policy can

be found on our website at [www.argusmedia.com](http://www.argusmedia.com). Included in this policy are restrictions against staff trading in any energy commodity or energy related stocks, and guidelines for accepting gifts. Argus also has strict policies regarding central archiving of email and instant messenger communication, maintenance and archiving of notes, and archiving of spreadsheets and deal lists used in the price assessment process. Argus publishes prices that report and reflect prevailing levels for open-market arm's length transactions (please see the [Argus Global Compliance Policy](#) for a detailed definition of arms length).

### Consistency in the assessment process

Argus recognises the need to have judgment consistently applied by reporters covering separate markets, and by reporters replacing existing reporters in the assessment process. In order to ensure this consistency, Argus has developed a programme of training and oversight of reporters. This programme includes:

- A global price reporting manual describing among other things the guidelines for the exercise of judgment.
- Cross-training of staff between markets to ensure proper holiday and sick leave backup. Editors that float between markets to monitor staff application of best practices.
- Experienced editors overseeing reporting teams are involved in daily mentoring and assisting in the application of judgment for illiquid markets.
- Editors are required to sign-off on all price assessments each day, thus ensuring the consistent application of judgment.

### Review of methodology

The overriding objective of any methodology is to produce price assessments that are reliable indicators of commodity market values, free from distortion and representative of spot market values. As a result, Argus editors and reporters are regularly examining our methodologies and are in regular dialogue with the industry in order to ensure that the methodologies are representative of the physical market being assessed. This process is integral with reporting on a given market. In addition to this ongoing review of methodology, Argus conducts reviews of all of its methodologies and methodology documents on at least an annual basis.

Argus market report editors and management will periodically and as merited initiate reviews of market coverage based on a qualitative analysis that includes measurements of liquidity, visibility of market data, consistency of market data, quality of market data and industry usage of the assessments. Report editors will review:

- Appropriateness of the methodology of existing assessments
- Termination of existing assessments
- Initiation of new assessments

The report editor will initiate an informal process to examine viability. This process includes:

- Informal discussions with market participants
- Informal discussions with other stakeholders
- Internal review of market data

Should changes, terminations, or initiations be merited, the report editor will submit an internal proposal to management for review and approval. Should changes or terminations of existing assessments be approved, then formal procedures for external consultation are begun.

### Changes to methodology

Formal proposals to change methodologies typically emerge out of the ongoing process of internal and external review of the methodologies. Formal procedures for external consultation regarding material changes to existing methodologies will be initiated with an announcement of the proposed change published in the relevant Argus report. This announcement will include:

- Details on the proposed change and the rationale
- Method for submitting comments with a deadline for submissions
- For prices used in derivatives, notice that all formal comments will be published after the given consultation period unless submitter requests confidentiality

Argus will provide sufficient opportunity for stakeholders to analyse and comment on changes, but will not allow the time needed to follow these procedures to create a situation wherein unrepresentative or false prices are published, markets are disrupted, or market participants are put at unnecessary risk. Argus will engage with industry throughout this process in order to gain acceptance of proposed changes to methodology. Argus cannot however guarantee universal acceptance and will act for the good order of the market and ensure the continued integrity of its price assessments as an overriding objective.

Following the consultation period, Argus management will commence an internal review and decide on the methodology change. This will be followed by an announcement of the decision that will be published in the relevant Argus report and include a date for implementation. For prices used in derivatives, publication of stakeholders' formal comments that are not subject to confidentiality and Argus' response to those comments will also take place.

## Argus International LPG report

The Argus International LPG report is a daily report that covers the market for internationally or openly traded LPG. Argus price assessments for the International LPG report reflect a consensus of informed market opinion on daily bid-ask spreads for propane and butane and various natural gas liquids in each region.

Argus covers regional trade in the LPG markets of the Asia-Pacific, central and eastern Europe, northwest Europe, the Mediterranean and the US to reflect a daily consensus on the prices of the day. The assessed prices will reflect the consensus level of market activity at the end of the trading day in each region. In the absence of market liquidity, Argus will use its knowledge and experience, combined with a market consensus, to establish a perceived buy-sell range.

All assessments and formulas refer to the price on the day of the published report. The prices are for contracts under whatever general terms and conditions are accepted as the standard prevailing in that particular market.

All changes are on the last report (one working day previous).

## Key prices (page 1)

### Propane cif ARA (large cargoes)

For details see page 7.

### Butane cif ARA (large cargoes)

For details see page 9.

### daf Brest propane

See [Argus Russian LPG and Condensate methodology](#).

### daf Brest propane-butane mix

See [Argus Russian LPG and Condensate methodology](#).

### Propane Argus Middle East Index

For details see page 11.

### Propane Argus Far East Index™ (AFEI™)

For details see page 12.

### Butane Argus Middle East Index

For details see page 13.

### Butane Argus Far East Index™ (AFEI™)

For details see page 14.

### Argus Mixed Index

For details see page 15.

### Americas: Propane Mont Belvieu pipeline fob

See [Argus NGL Americas methodology](#).

### Enterprise

See [Argus NGL Americas methodology](#).

### LST

See [Argus NGL Americas methodology](#).

### USGC export fob, diff to Mont Belvieu

See [Argus NGL Americas methodology](#).

### USGC export fob

See [Argus NGL Americas methodology](#).

### US propane del Japan (AUSJ)

See [Argus NGL Americas methodology](#).

### US propane del ARA (AUSE)

See [Argus NGL Americas methodology](#).

## International comparisons (page 1)

### Argus North Sea Index (ANSI™)

#### Propane

Prices are in US dollars/tonne. Prices are for the listed month. ANSI is a monthly index calculated on the last five days of the prior month Argus large cargo cif ARA quotations for propane, less a freight element which is set on an annual basis. This base level will be adjusted if the last five days average appears severely out of alignment with prevailing industry sentiment. The freight rate is based on a composite Contract of Affreightment (COA) rate for a 20,000t cargo for routes Braefoot Bay, Karsto, or Mongstad terminals to Antwerp, Flushing, or Terneuzen. The composite COA rate is based on a one load/two discharge.

#### Butane

Prices are in US dollars/tonne. Prices are for the listed month. ANSI is a monthly index calculated on the last five days of the prior month Argus large cargo cif ARA quotations for butane, less a freight element which is set on an annual basis. This base level will be adjusted if the last five days average appears severely out of alignment with prevailing industry sentiment. The freight rate is based on a composite Contract of Affreightment (COA) rate for a 20,000t cargo for routes Braefoot Bay, Karsto, or Mongstad terminals to Antwerp, Flushing, or Terneuzen. The composite COA rate is based on a one load/two discharge.

### Sonatrach fob Bethioua

#### Propane

Prices are in US dollars/tonne. Official selling price of Sonatrach for propane for the listed month.

#### Butane

Prices are in US dollars/tonne. Official selling price of Sonatrach for butane for the listed month.



## Saudi Aramco

### Propane

Prices are in US dollars/tonne. Official selling prices of Saudi Aramco for propane for the listed month.

### Butane

Prices are in US dollars/tonne. Official selling prices of Saudi Aramco for butane for the listed month.

## KPC (Kuwait)

### Propane

Prices are in US dollars/tonne. Official selling prices of Kuwait Petroleum Company for propane for the listed month.

### Butane

Prices are in US dollars/tonne. Official selling prices of Kuwait Petroleum Company for butane for the listed month.

## Argus Middle East netback

### Propane

Prices are in US dollars/tonne. The Argus Middle East netback is computed by subtracting the reported daily Ras Tanura-Chiba freight assessment for VLGC carriers from the Argus Far East Index for propane.

### Butane

Prices are in US dollars/tonne. The Argus Middle East netback is computed by subtracting the reported daily Ras Tanura-Chiba freight assessment for VLGC carriers from the Argus Far East Index for butane.

## Naphtha (page 1)

### cif northwest Europe

For details see the [Argus European Products Methodology](#).

### cif Mediterranean

For details see the [Argus European Products Methodology](#).

### cfr Japan

For details see the [Argus Asia-Pacific Products Methodology](#).

### fob Mideast Gulf

For details see the [Argus Asia-Pacific Products Methodology](#).

## LPG freight assessments (page 1)

### VLGC Ras Tanura-Chiba

For details see the [Argus Freight Methodology](#).

### 1,800t Tees-Lisbon

For details see the [Argus Freight Methodology](#).

### 1,800t Tees-ARA

For details see the [Argus Freight Methodology](#).

### Propane VLGC Houston-Chiba

For details see the [Argus NGL Americas methodology](#).

### Propane VLGC Houston-Flushing

For details see the [Argus NGL Americas methodology](#).

### Handysize Houston-east coast Mexico

For details see the [Argus NGL Americas methodology](#).

## Northwest Europe and Mediterranean (page 2)

### Propane

#### cif ARA (large cargoes)

Argus recognises the value of regular reviews of its methodology in the light of changing LPG market conditions and encourages a process of continuing positive engagement with market participants.

The application of the market data to the methodology

Price identification will be through the Argus methodology and will be based primarily on reported transactions, bids and offers, and other market data.

In the case of the large cargo cif ARA propane assessment other market data will be derived from the forward curve for propane, or an assessment, at Argus' discretion, if the forward price data are unavailable.

Argus assesses a representative market value by constructing an average price for the period 10-20 days forward from 'on the day' market data.

Argus assesses the price in the following manner:

#### Transactions

The price of a large cargo transaction that can be standardised (in Argus' exclusive judgment) to the specifications published in the current ToT (10 days' notice of a three-day delivery window) contract and to any revisions of this contract as accepted by Argus, will be included in the assessment for the period of delivery.

All such transactions will be included in the price identification process and where the price of transactions overlap the same dates, Argus will choose a single representative value for those dates based on the transactions.

#### Transactions criteria for inclusion

The price is for a transaction:

- on the day;
- standardised by Argus to the specifications published in the current ToT contract and to any revisions of this contract as accepted by Argus;
- for any days in the delivery period 10-20 days forward;

- standardised to Flushing using the ToT freight matrix for cif basis ports of Flushing, Antwerp, Terneuzen, Canvey Island, Le Havre, Stenungsund, and ToT freight differential criteria for any alternative discharge port not listed in the matrix.
- standardised to an average 20,500t on vessels ranging from 16,000-84,000m<sup>3</sup>.
- with a minimum 50pc fixed price element, except in deals done on a naphtha-related basis.
- concluded by 4:30pm London time.

### Bids and offers

In the event that not all of the days in the 10-20 days forward period have values from transactions then Argus will include values from bids and offers in the following manner:

### Bids and offers criteria for inclusion

The price is for a bid or offer:

- on the day;
- standardised by Argus to the specifications published in the current ToT contract for grade and quality and to any revisions of this contract as accepted by Argus;
- for any days in the delivery period 10-20 days forward;
- bids to have a minimum 5 day delivery range and offers to have a maximum 5 day delivery date range wholly within the 10-20 days forward delivery period;
- standardised to Flushing using the ToT freight matrix for cif basis ports of Flushing, Antwerp, Terneuzen, Canvey Island, Le Havre, Stenungsund, and ToT freight differential criteria for any alternative discharge port not listed in the matrix;
- standardised to an average 20,500t on vessels ranging from 16,000-84,000m<sup>3</sup>;
- with a minimum 50pc fixed price element except in deals done on a naphtha-related basis;
- that is firm and feasible (in the exclusive judgment of Argus);
- adjusted to a representative value using prevailing and relevant spreads (in the exclusive judgment of Argus).

The highest bids and lowest offers (adjusted to a representative value) prevailing at 4:30pm London time will be used to determine the values for inclusion. Where the value of such bids and offers overlap the same dates Argus will choose a single representative value for those dates.

In the event that not all of the days in the 10-20 days forward period have values from transactions or bids and offers then Argus will include values from the forward curve in the following manner:

### Forward price curve

The forward curve price assessment for 4.15-4:30pm London time will be acquired from market participants on the day. Argus will make its own assessment of the forward curve price assessment from this data and any other relevant data. In the event of any discrepancies in the forward curves provided to Argus the final choice of data will be at Argus' discretion.

The forward curve will be determined using data from propane swaps market participants, swaps brokers and central trading plat-

forms based on a volume-weighted average for swaps trade with a minimum size of 2,000t per transaction.

The forward curve mid-month price of the balance of the month will be one fixed point and the mid-month price of the following month another fixed point. The price difference between the days of these fixed points shall be established on a linear basis.

If the number of days within the 10-20 day delivery period for which there are no transactions, bids or offers are limited to periods of seven or less consecutive days, Argus will reserve the right to use an extrapolation of the transactional information rather than the forward curve to determine this pricing period.

### Forward curve explanation

The forward curve, as determined by Argus, based on the balance of the current month and the first month forward, constructed on a linear basis from the mid-month of the balance of the month to the mid-month of the following month, can provide the default values for the 10-20 day forward period from which the Argus cif ARA large cargo propane assessment will be calculated.

The forward curve, calculated with the aid of a spreadsheet (Argus large cargo propane calculator) will be overridden by values from the price of transactions standardised by Argus using the above criteria for the dates of the delivery period of the transaction; and by values adjusted from bids and offers, standardised by Argus, using the above criteria.

### Market data viability

Argus will use interrogative inquiry and analysis, and its own knowledge and experience, to determine to its satisfaction the viability of the received market data, including whether the transactional information it receives is for open-market arm's length transactions.

The transactional data will be confirmed by a reliable source and will be standardised according to Argus' judgment. The bids and offers must be firm and feasible and in the open market in the judgment of Argus. Argus will make use of swaps market transactions to assist in the evaluation of the outright value of floating prices for deals, bids and offers.

Argus does not establish a minimum transaction data threshold as this would lead to unreliable and non-representative assessments.

As no minimum transaction data threshold exists, Argus follows the procedures outlined within this methodology with regard to the application of market data.

The Argus large cargo cif ARA propane assessment can be found in the Argus International LPG report. The Argus European LPG Bulletin Board, which gives details of trades and the Argus large cargo cif ARA propane calculator are also available on the Argus website to clients.

### fob northwest Europe (small)

Prices are in US dollars/tonne. Small cargoes (coasters) are up to 2,000t. Basis is fob northwest Europe. The timing is for cargoes for lifting 3-15 days forward. The fob northwest Europe small cargo



quotations are for pressurised vessels, up to 20pc olefins. Timestamp is 4:30pm London time.

#### **cif ARA (small)**

Prices are in US dollars/tonne. Small cargoes (coasters) are up to 2,000t. Basis is cif ARA. The timing is for cargoes for delivery 3-15 days forward. The cif northwest Europe small cargo quotations are for pressurised vessels, up to 20pc olefins. Timestamp is 4:30pm London time.

#### **fob ARA (barge)**

Prices are in US dollars/tonne. Barges are up to 1,300t. Basis is fob ARA. The timing is for barges for lifting 2-10 days forward. The fob barge quotations are for pressurised vessels, up to 20pc olefins. Timestamp is 4:30pm London time.

#### **fca ARA (rail)**

Prices are in US dollars/tonne. Rail is for 400-600t. Basis is fca (rail) ARA. The timing is for railcars lifting 2-10 days forward. The fca (rail) ARA quotation includes commercial and ex-terminal material. Timestamp is 4:30pm London time.

#### **cif Mediterranean (large)**

Prices are in US dollars/tonne. Large cargoes are 5,000-20,500t. Basis is cif Lavera. The timing is for cargoes for delivery 3-15 days forward. The large cargo propane quotations are for field grade (95pc) propane, fully refrigerated. Timestamp is 4:30pm London time.

#### **fob Mediterranean (small)**

Prices are in US dollars/tonne. Small cargoes (coasters) are up to 2,000t. Basis is fob Lavera. The timing is for cargoes for lifting 3-15 days forward. Small cargo assessments are for commercial grade. Small cargo (coasters) are pressurised vessels. Timestamp is 4:30pm London time.

#### **fca Mediterranean (rail)**

Prices are in US dollars/tonne for. Rail is 400-600t. Basis is fca (rail) Lavera. The timing is for railcars lifting 2-10 days forward. Railcars are for commercial grade. Timestamp is 4:30pm London time.

### **Propane averages**

#### **cif ARA large cargo**

Prices are in US dollars/tonne. The Argus cif ARA large cargo quotation is the arithmetic average of the prices published every day in a month.

#### **fob ARA barge**

Prices are in US dollars/tonne. The Argus fob ARA barge quotation is the running average in which the last data point will be assumed to be the data point for the remaining days of the month.

### **Butane**

#### **cif ARA (large cargoes)**

Prices are in US dollars/tonne. Large butane cargoes are 7,000-12,000t. Basis is cif Rotterdam/UK east coast. The timing is for cargoes for delivery 10-25 days forward, eg: on 1 July the delivery period will be 11-26 July. The price quotation on 1 July will be an av-

erage of the 11-26 July period. Bids must have a minimum five-day delivery range and offers must have a maximum five-day delivery range wholly within the 10-25 days forward delivery period. The large cargo butane is for field grade mixed butane (20pc isobutane content) or normal butane, fully refrigerated. In the absence of outright price indications, Argus may assess butane prices on a percentage of naphtha basis. Timestamp is 4:30pm London time.

#### **fob northwest Europe (small)**

Prices are in US dollars/tonne. Small cargoes (coasters) are up to 6,000t. Basis is fob northwest Europe. The timing is for cargoes for lifting 3-15 days forward. The fob northwest Europe small cargo quotations are for pressurised vessels, up to 30pc olefins. Timestamp is 4:30pm London time.

#### **cif ARA (small)**

Prices are in US dollars/tonne. Small cargoes (coasters) are 1,800-2,500t. Basis is cif ARA. The timing is for cargoes for delivery 3-15 days forward. The cif northwest Europe small cargo quotations are for pressurised vessels, up to 30pc olefins. Timestamp is 4:30pm London time.

#### **fob ARA (barge)**

Prices are in US dollars/tonne. Barges are up to 1,200t. Basis is fob ARA. The timing is for barges for lifting 2-10 days forward. The fob barge quotations are for pressurised vessels, up to 20pc olefins. Timestamp is 4:30pm London time.

#### **fca ARA (rail)**

Prices are in US dollars/tonne. Rail is for 400-600t. Basis is fca (rail) ARA. The timing is for railcars lifting 2-10 days forward. The fca (rail) ARA quotation includes commercial and ex-terminal material. Timestamp is 4:30pm London time.

#### **cif Mediterranean (large)**

Prices are in US dollars/tonne. Large cargoes are 5,000-20,500t. Basis is cif Lavera. The timing is for cargoes for delivery 3-15 days forward. The large cargo butane quotations are for field grade mixed butane (20pc isobutane content), fully refrigerated. Timestamp is 4:30pm London time.

#### **fob Mediterranean (small)**

Prices are in US dollars/tonne. Small cargoes (coasters) are up to 2,000t. Basis is fob Lavera. The timing is for cargoes for lifting 3-15 days forward. Small cargo assessments are for commercial grade. Small cargo (coasters) are pressurised vessels. Timestamp is 4:30pm London time.

### **Butane averages**

#### **cif ARA large cargo**

Prices are in US dollars/tonne. The Argus cif ARA large cargo quotation is the arithmetic average of the prices published every day in a month.

#### **fob ARA barge**

Prices are in US dollars/tonne. The Argus fob ARA barge quotation is the running average in which the last data point will be assumed to be the data point for the remaining days of the month.

## Crude

### Argus North Sea Dated

Prices are in US dollars/barrel. The North Sea Dated price is the main price marker for North Sea crude. It is calculated under the Argus North Sea Dated methodology. For more details see the [Argus Crude methodology](#).

### Ice Brent futures settlement

Prices are in US dollars/barrel. Prices are the settlement prices for the IntercontinentalExchange's Brent contract for three months forward.

- ADBM means average Argus daf Brest for mix
- ADBP means average Argus daf Brest for Propane
- CAL means average cif ARA for Propane
- F means sea freight from ARA to Stettin (is taken for 2016 as \$60/mt)
- LOG means total average logistics costs from daf and to Plock (is taken for 2016 as 190 PLN/t)
- \$ means exchange rate PLN/USD
- OG means Orlen Gaz quotation (with 0 logistics cost)

The LOG and freight are revised on an annual basis.

## FSU (page 3)

A full methodology for the FSU assessments published in Argus International LPG can be found in the [Argus Russian LPG and Condensate methodology](#).

### fob Black Sea propane

See the [Argus Russian LPG and Condensate methodology](#).

### fob Black Sea butane

See the [Argus Russian LPG and Condensate methodology](#).

### fob Black Sea propane-butane mix

See the [Argus Russian LPG and Condensate methodology](#).

### daf Brest propane-butane mix

See the [Argus Russian LPG and Condensate methodology](#).

### daf Brest propane

See the [Argus Russian LPG and Condensate methodology](#).

### daf Ukraine propane-butane mix.

See the [Argus Russian LPG and Condensate methodology](#).

### Argus daf Ukrainian-Romanian border propane-butane mix

See the [Argus Russian LPG and Condensate methodology](#).

### fot Burgas (Lukoil posted) propane-butane mix

See the [Argus Russian LPG and Condensate methodology](#).

### daf Bekabad propane-butane mix

See the [Argus Russian LPG and Condensate methodology](#).

### Argus Polish Domestic Index (APDI™) price:

Prices are in US dollars/t and on a fca Plock basis. The product contains on average 50pc propane and 50pc butane. The APDI price reflects an assessment for the domestic Polish market calculated on deliveries to Poland from the ARA region through sea terminals and by rail from the eastern and former Soviet Union regions. The calculation is as follows:

$$\text{APDI} = [(\text{ADB M} * 65\% + \text{ADB P} * 10\% + (\text{CAL} + \text{F}) * 5\%) + (\text{LOG} / \$)] + 20\% \text{OG} / \$, \text{ where:}$$

## International swaps prices

### Propane northwest Europe

Prices are in US dollars/tonne. Swaps in northwest Europe are for 12 months, four quarters and one calendar year forward. The front month rolls on the first working day after the 15th of the month. Swap quarters roll on the first working day after the 15th of the second month of the quarter. Calendar year swaps roll on the first working day after the 15th of the sixth month of the year. Timestamp is 4.15-4.30pm London time.

### Naphtha northwest Europe

Prices are in US dollars/tonne. Swaps in northwest Europe are for 12 months, four quarters and one calendar year forward. The front month rolls on the first working day after the 15th of the month. Swap quarters roll on the first working day after the 15th of the month before the start of the quarter. Calendar year swaps roll on the first working day after the 15th of the sixth month of the year. Timestamp is 4.30pm London time.

### Propane CP Middle East

Prices are in US dollars/tonne. The minimum swap volume for the CP swaps is 1,000t.

Propane contract price swaps are assessed twice each day, at a 5pm Singapore timestamp and a 4.30pm London timestamp.

Prices are assessed for three months of the Contract Price (CP) at the 5pm Singapore timestamp.

Prices are assessed for 12 months, four quarters and one calendar year of the Contract Price (CP) at the 4.30pm London timestamp.

The front month rolls on the first working day on which the new CP is available. For example, if the October CP is issued on 29 September, the swaps front month will roll from October to November that day. Swap quarters roll on the first working day after the 15th of the second month of the quarter. Calendar year swaps roll on the first working day after the 15th of the sixth month of the year.

### Argus Far East Index

Prices are in US dollars/tonne. The minimum swap volume for the Argus Far East Index swaps is 1,000t.

Argus Far East Index propane swaps prices are assessed twice each day, at a 5pm Singapore timestamp and a 4.30pm London timestamp. Prices are assessed for three months of the Argus Far East Index at the 5pm Singapore timestamp.

Prices are assessed for 12 months, four quarters and one calendar year of the Argus Far East Index at the 4.30pm London timestamp. The front month rolls on the first working day after the 15th of the month. Swap quarters roll on the first working day after the 15th of the second month of the quarter. Calendar year swaps roll on the first working day after the 15th of the sixth month of the year.

### Mont Belvieu LST

Prices are in US dollars/tonne converted from US cents/gallon. Mont Belvieu propane swaps assessments are for 12 months, four quarters and one calendar year. The front month rolls on the first working day after the 15th of the month. Swap quarters roll on the first working day after the 15th of the second month of the quarter. Calendar year swaps roll on the first working day after the 15th of the sixth month of the year. Timestamp is 4.30pm London time.

### Spreads

#### M1 diff to physical

Prices are in US dollars/tonne. This is the difference between the assessed physical or wet value and the front month swap.

- Cif ARA propane minus cif ARA propane swap
- Cif northwest Europe naphtha minus European naphtha swap
- Fob Middle East Gulf propane minus CP swap
- Argus Far East Index propane minus Argus Far East Index propane swap
- Mont Belvieu LST propane mean of high/low minus Mont Belvieu propane swap

#### Propane-naphtha

Prices are in US dollars/tonne. The cif ARA propane swap minus the European naphtha swap.

#### East-West

Prices are in US dollars/tonne. The Argus Far East Index propane swap minus the cif ARA propane swap.

#### The Arb

Prices are in US dollars/tonne. The Mont Belvieu propane swap minus the cif ARA propane swap.

#### Mont Belvieu-AFEI

Prices are in US dollars/tonne. The Mont Belvieu propane swap minus the Argus Far East Index propane swap.

#### AFEI-CP

Prices are in US dollars/tonne. The Argus Far East Index propane swap minus the CP propane swap.

## Middle East and Asia-Pacific averages (page 4)

### Middle East averages

#### Propane

Prices are in US dollars/tonne. The Argus Middle East fob average is the average of the spot premium for additional Saudi volumes trading out of Yanbu and Ras Tanura which is calculated on a monthly basis and which rolls on the 1st of the month. So on the 1st of January, Argus will begin quoting a cumulative average for January.

#### Butane

Prices are in US dollars/tonne. The Argus Middle East fob average is the average of the spot premium for additional Saudi volumes trading out of Yanbu and Ras Tanura which is calculated on a monthly basis and which rolls on the 1st of the month. So on the 1st of January, Argus will begin quoting a cumulative average for January.

### Argus Middle East Index averages

#### Propane

Prices are in US dollars/tonne. The Argus Middle East Index average is the average of propane spot prices trading out of the Mideast Gulf, which is calculated on a monthly basis and which rolls on the 1st of the month. So on the 1st of January, Argus will begin assessing a cumulative average for January.

#### Butane

Prices are in US dollars/tonne. The Argus Middle East Index average is the average of butane spot prices trading out of the Mideast Gulf, which is calculated on a monthly basis and which rolls on the 1st of the month. So on the 1st of January, Argus will begin assessing a cumulative average for January.

### Argus Far East Index

#### Propane

Prices are in US dollars/tonne. The Argus Far East Index average is accumulated on a calendar month basis, rolling on the first working day of the month. For details of the Argus Far East Index methodology see page 13.

#### Butane

Prices are in US dollars/tonne. The Argus Far East Index average is accumulated on a calendar month basis, rolling on the first working day of the month. For details of the Argus Far East Index methodology see page 15.

### 11+11 propane-butane mix

Prices are in US dollars/tonne. The 11+11 propane-butane mix average is accumulated on a calendar month basis, rolling on the first working day of the month. For details of the 11+11 propane-butane mix methodology see page 16.

## Asia-Pacific (page 5)

### Propane

#### Argus Middle East Index

Prices are in fixed US dollars/tonne. Period is the timing of lifting. Refrigerated cargoes are of field grade quality. Argus Middle East Index is for 45,000-47,000t cargoes loading at Ras Tanura, Yanbu, Ras Laffan, Ruwais, Das Island and Mina al Ahmadi. The Argus Middle East Index will roll from one month loading to the next on the 1st of the month. The timestamp is 5.00pm Singapore time.

#### Gulf CP fob

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Refrigerated cargoes are of field grade quality. Fob Gulf quotes are for 45,000-47,000t cargoes loading at Ras Tanura, Yanbu, Ras Laffan, Ruwais, Das Island and Mina Al Ahmadi. The fob Mideast Gulf roll date from one month loading to the next will occur on the 1st of the month. Timestamp is 5:00pm Singapore time.

#### Japan CP cfr

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Refrigerated cargoes are of field grade quality. Cfr Japan quotes are for 22,000t cargoes for delivery to Kawasaki/Chiba (Japan). For refrigerated cargoes cfr Japan (CP plus), the roll date from first-half month delivery to second-half month delivery will occur on the 10th of the previous month. The roll date from second-half month delivery to first-half month delivery will occur on the 25th of the previous month. Timestamp is 5:00pm Singapore time.

#### Japan cfr

Prices are in US dollars/tonne. Refrigerated cargoes are of field grade quality. The assessments are for 23,000t cargoes for delivery into Kawasaki/Chiba (Japan). The assessment is an average price for the period 25-40 days from the publication date. Argus will make a price assessment for each of the days in the 25-40 day forward period taking into account the price structure of the physical market. Physical prices are discussed in the market for different delivery periods in the 25-40 day forward period. The delivery periods are usually discussed as the first half and the second half of the month. So the Argus assessment for 25-40 day forward period, should prices be flat for each of these delivery periods, will be proportionate to the number of days for each half month delivery period within the 25-40 day forward period. The timestamp is 5:00pm Singapore time.

In recent years, it has become common for participants in the Asian cfr market to transact deals that include both a fixed price and floating price component. For example, deals that are a 50:50 average of the Far East Index and a fixed price, are common. In such cases, Argus will use a variety of techniques to determine the value of the deal so that it can be considered in Argus' assessments. The techniques include examining the forward structure of the LPG swaps market, considering the value of the fixed portion of the deal and using other

analytical techniques employed by the industry to derive a fair value for the deal. Argus will use these techniques as appropriate to derive a representative value for deals that are priced on a fixed/floating price basis and consider such deals as warranted in its assessments.

#### Taiwan CP cfr

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Refrigerated cargoes are of field grade quality. Taiwan quotes are for 22,000t cargoes for delivery to Kaohsiung (Taiwan). For refrigerated cargoes cfr Taiwan (CP Plus), the roll date from first-half month delivery to second-half month delivery will occur on the 10th of the previous month. The roll date from second-half month delivery to first-half month delivery will occur on the 25th of the previous month. Timestamp is 5:00pm Singapore time.

#### East China CP cfr

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Refrigerated cargoes are of field grade quality. Cfr east China are for 22,000t cargoes for delivery into Shanghai and Taicang in the Jiangsu Province for east China. For refrigerated cargoes cfr China (CP Plus), the roll date from first-half month delivery to second-half month delivery will occur on the 25th of the previous month. The roll date from second-half month delivery to first-half month delivery will occur on the 10th of the month. Timestamp is 5:00pm Singapore time.

#### East China cfr

Prices are in US dollars/tonne. Refrigerated cargoes are of field grade quality. The assessments are for 23,000t cargoes for delivery into Shanghai and Taicang in the Jiangsu Province of east China. The assessment is for the period 25-40 days from the publication date. The timestamp is 5:00pm Singapore time..

In recent years, it has become common for participants in the Asian CFR market to transact deals that include both a fixed price and floating price component. For example, deals that are a 50:50 average of the Far East Index and a fixed price, are common. In such cases, Argus will use a variety of techniques to determine the value of the deal so that it can be considered in Argus' assessments. The techniques include examining the forward structure of the LPG swaps market, considering the value of the fixed portion of the deal and using other analytical techniques employed by the industry to derive a fair value for the deal. Argus will use these techniques as appropriate to derive a representative value for deals that are priced on a fixed/floating price basis and consider such deals as warranted in its assessments.

#### South China CP cfr

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Refrigerated cargoes are of field grade quality. Cfr south China are for 22,000t cargoes for delivery into Shenzhen and Zhuhai in the Guangdong Province for south China. For refrigerated cargoes cfr China (CP Plus) the roll

date from first-half month delivery to second-half month delivery will occur on the 25th of the previous month. The roll date from second-half month delivery to first-half month delivery will occur on the 10th of the month. Timestamp is 5:00pm Singapore time.

### South China cfr

Prices are in US dollars/tonne. Refrigerated cargoes are of field grade quality. The assessments are for 23,000t cargoes for delivery into Shenzhen and Zhuhai in the Guangdong Province of south China. The assessment is an average price for the period 25-40 days from the publication date. Argus will make a price assessment for each of the days in the 25-40 day forward period taking into account the price structure of the physical market. Physical prices are discussed in the market for different delivery periods in the 25-40 day forward period. The delivery periods are usually discussed as the first half and the second half of the month. So the Argus assessment for 25-40 day forward period, should prices be flat for each of these delivery periods, will be proportionate to the number of days for each half month delivery period within the 25-40 day forward period. The timestamp is 5:00pm Singapore time.

In recent years, it has become common for participants in the Asian cfr market to transact deals that include both a fixed price and floating price component. For example, deals that are a 50:50 average of the Far East Index and a fixed price, are common. In such cases, Argus will use a variety of techniques to determine the value of the deal so that it can be considered in Argus' assessments. The techniques include examining the forward structure of the LPG swaps market, considering the value of the fixed portion of the deal and using other analytical techniques employed by the industry to derive a fair value for the deal. Argus will use these techniques as appropriate to derive a representative value for deals that are priced on a fixed/floating price basis and consider such deals as warranted in its assessments.

### Argus Far East Index (propane)

Prices are in US dollars/tonne. The Argus Far East Index is the average of the Argus Japan cfr propane quotation and the Argus South China cfr propane quotation. No minimum data transaction threshold exists as this is the average of other assessments.

For the purposes of assessing the Far East Index for propane Argus establishes a viable buy-sell range at the timestamp. To accomplish this, Argus considers a wide range of information, including bids and offers, transactions, informed market views and the performance of other related markets.

Market information may not be consistent regarding prevailing price levels so if contradictory information regarding a viable buy-sell range is in the market Argus will give the greatest weight to deals for cargoes that conform to Argus' published specification done in the run up to the timestamp (currently 5:00pm Singapore time). For inclusion in the FEI, deals must be judged by Argus to be repeatable and representative.

All bids, offers and deals to be included for Argus assessment are to conform to Ginga standard terms.

For the purpose of the Argus Far East Index assessment, the south China cfr price that makes up 50pc of the AFEI assessment is set at parity to the Japan cfr price assessment. This is in line with current industry practice as China purchases do not conform to the standard traded contract in the region, which is currently the Ginga contract. Argus will keep under review the standard traded contract terms for the region and institute amendments to the AFEI methodology as and when necessary.

Bid and offers must be firm, made in the open market, not subject to special conditions and be valid for a period of time during which a deal could reasonably be transacted. Similarly if a firm bid and/or offer is made after a deal but before the timestamp, Argus will consider this bid and/or offer if it is found to be representative. This bid and/or offer may be viewed by Argus as being more representative of the market at the timestamp than a single non-repeatable deal and may be used as the basis for the price assessment. In the absence of any firm bids and/or offers, Argus shall use inputs from its regular market surveys, plus any other inputs from brokers, market participants or market portals, to establish a valid buy-sell range. This buy-sell range shall be determined using informed market opinions and other indicators judged by Argus to be indicative of market values.

Argus will review swaps and other derivatives markets with an eye toward determining forward market structure and direction. Argus will also refer to the swaps markets to evaluate the outright value of floating prices deals that are reported.

### Market structure

The Argus LPG assessments are for cargoes delivered to destination ports 25-40 days forward from the date of assessments. It is usual that part of this assessment period would be determined by market prices for one delivery period, and another part would be determined by different delivery period. In such cases, Argus will pro-rate the values of the relevant delivery periods. A spreadsheet detailing these inputs is available on a daily basis from Argus on request.

A significant volume of the LPG trade in the eastern LPG markets consists of mixed cargoes that include approximately 11,000t each of propane and butane. These cargoes typically are traded at a single price representing the value of both components.

In the absence of market indicators for 23,000t cargoes of propane or butane, Argus will include 11,000t + 11,000t (known as 11-11) deals and bid/offer ranges in its assessments. This means that the midpoint value of 11-11 deals will be used and an informed consensus differential between propane and butane prices used to calculate individual propane and butane values from the 11,000t + 11,000t midpoint value.

If there is any discrepancy between 23,000t and mixed cargoes then the 23,000t price will set the Argus price quotation for 23,000t propane and 23,000t butane.



## Butane (page 5)

### Argus Asia-Pacific butane assessments

Argus will assess 22,000t butane prices in the following manner. During the periods of time when butane demand from the petrochemical sector is absent, Argus will assess butane prices as a price differential against propane prices, with the differential being obtained based on an informed consensus.

Such a price differential can be obtained through a variety of channels. This includes deriving from 11+11 quotes where a midpoint value of 11+11 is being used in combination with an informed consensus price spread between propane and butane, to derive butane values.

During the periods of time when butane demand from the petrochemical sector prevails, Argus may assess butane prices based on an economic relationship to naphtha prices.

### Argus Middle East Index

Prices are in fixed US dollars/tonne. Period is the timing of lifting. Refrigerated cargoes are of field grade quality. Argus Middle East Index is for 45,000-47,000t cargoes loading at Ras Tanura, Yanbu, Ras Laffan, Ruwais, Das Island and Mina al Ahmadi. The Argus Middle East Index will roll from one month loading to the next on the 1st of the month. The timestamp is 5.00pm Singapore time.

### Gulf CP fob

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Refrigerated cargoes are of field grade quality. Fob Gulf quotes are for 45,000-47,000t cargoes loading at Ras Tanura, Yanbu, Ras Laffan, Ruwais, Das Island and Mina al Ahmadi. The fob Mideast Gulf roll date from one month loading to the next will occur on the 1st of the month. Timestamp is 5:00pm Singapore time.

### Japan CP cfr

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Refrigerated cargoes are of field grade quality. Cfr Japan quotes are for 22,000t cargoes for delivery to Kawasaki/Chiba (Japan). For refrigerated cargoes cfr Japan (CP plus), the roll date from first-half month delivery to second-half month delivery will occur on the 10th of the previous month. The roll date from second-half month delivery to first-half month delivery will occur on the 25th of the previous month. Timestamp is 5:00pm Singapore time.

### Japan cfr

Prices are in US dollars/tonne. Refrigerated cargoes are of field grade quality. The assessments are for 23,000t cargoes for delivery into Kawasaki/Chiba (Japan). The assessment is an average price for the period 25-40 days from the publication date. Argus will make a price assessment for each of the days in the 25-40 day forward period taking into account the price structure of the physical market. Physical prices are discussed in the market for different delivery periods in the 25-40 day forward period. The delivery periods are usu-

ally discussed as the first half and the second half of the month. So the Argus assessment for 25-40 day forward period, should prices be flat for each of these delivery periods, will be proportionate to the number of days for each half month delivery period within the 25-40 day forward period. The timestamp is 5:00pm Singapore time.

In recent years, it has become common for participants in the Asian cfr market to transact deals that include both a fixed price and floating price component. For example, deals that are a 50:50 average of the Far East Index and a fixed price, are common. In such cases, Argus will use a variety of techniques to determine the value of the deal so that it can be considered in Argus' assessments. The techniques include examining the forward structure of the LPG swaps market, considering the value of the fixed portion of the deal and using other analytical techniques employed by the industry to derive a fair value for the deal. Argus will use these techniques as appropriate to derive a representative value for deals that are priced on a fixed/floating price basis and consider such deals as warranted in its assessments.

### Taiwan CP cfr

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Refrigerated cargoes are of field grade quality. Taiwan quotes are for 22,000t cargoes for delivery to Kaohsiung (Taiwan). For refrigerated cargoes cfr Taiwan (CP Plus), the roll date from first-half month delivery to second-half month delivery will occur on the 10th of the previous month. The roll date from second-half month delivery to first-half month delivery will occur on the 25th of the previous month. Timestamp is 5:00pm Singapore time.

### East China CP cfr

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Refrigerated cargoes are of field grade quality. Cfr east China are for 22,000t cargoes for delivery into Shanghai and Taicang in the Jiangsu Province for east China. For refrigerated cargoes cfr China (CP Plus), the roll date from first-half month delivery to second-half month delivery will occur on the 25th of the previous month. The roll date from second-half month delivery to first-half month delivery will occur on the 10th of the month. Timestamp is 5:00pm Singapore time.

### East China cfr

Prices are in US dollars/tonne. Refrigerated cargoes are of field grade quality. The assessments are for 23,000t cargoes for delivery into Shanghai and Taicang in the Jiangsu Province of east China. The assessment is for the period 25-40 days from the publication date. The timestamp is 5:00pm Singapore time.

In recent years, it has become common for participants in the Asian cfr market to transact deals that include both a fixed price and floating price component. For example, deals that are a 50:50 average of the Far East Index and a fixed price, are common. In such cases, Argus will use a variety of techniques to determine the value of the deal so that it can be considered in Argus' assessments. The techniques include examining the forward structure of the LPG



swaps market, considering the value of the fixed portion of the deal and using other analytical techniques employed by the industry to derive a fair value for the deal. Argus will use these techniques as appropriate to derive a representative value for deals that are priced on a fixed/floating price basis and consider such deals as warranted in its assessments.

### South China CP cfr

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Refrigerated cargoes are of field grade quality. Cfr south China are for 22,000t cargoes for delivery into Shenzhen and Zhuhai in the Guangdong province for south China. For refrigerated cargoes cfr China (CP Plus), the roll date from first-half month delivery to second-half month delivery will occur on the 25th of the previous month. The roll date from second-half month delivery to first-half month delivery will occur on the 10th of the month. Timestamp is 5:00pm Singapore time.

### South China cfr

Prices are in US dollars/tonne. Refrigerated cargoes are of field grade quality. The assessments are for 23,000t cargoes for delivery into Shenzhen and Zhuhai in the Guangdong province of south China. The assessment is an average price for the period 25-40 days from the publication date. Argus will make a price assessment for each of the days in the 25-40 day forward period taking into account the price structure of the physical market. Physical prices are discussed in the market for different delivery periods in the 25-40 day forward period. The delivery periods are usually discussed as the first half and the second half of the month. So the Argus assessment for 25-40 day forward period, should prices be flat for each of these delivery periods, will be proportionate to the number of days for each half month delivery period within the 25-40 day forward period. The timestamp is 5:00pm Singapore time.

In recent years, it has become common for participants in the Asian cfr market to transact deals that include both a fixed price and floating price component. For example, deals that are a 50:50 average of the Far East Index and a fixed price, are common. In such cases, Argus will use a variety of techniques to determine the value of the deal so that it can be considered in Argus' assessments. The techniques include examining the forward structure of the LPG swaps market, considering the value of the fixed portion of the deal and using other analytical techniques employed by the industry to derive a fair value for the deal. Argus will use these techniques as appropriate to derive a representative value for deals that are priced on a fixed/floating price basis and consider such deals as warranted in its assessments.

### West coast India CP cfr

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Refrigerated cargoes are of field grade quality. Cfr India quotes are for 10,000-15,000t cargoes for delivery into Kandla and Mangalore on the west coast of India. For refrigerated cargoes cfr India (CP Plus), the roll date from one month delivery to the next will occur on the 25th of the previous month. Timestamp is 5:00pm Singapore time.

### Argus Far East Index (butane)

Prices are in US dollars/tonne. The Argus Far East Index is the average of the Argus Japan cfr butane quotation and the Argus South China cfr butane quotation. No minimum data transaction threshold exists as this is the average of other assessments.

For the purposes of assessing the Far East Index for butane, Argus establishes a viable buy-sell range at the timestamp. To accomplish this, Argus considers a wide range of information, including bids and offers, transactions, informed market views and the performance of other related markets.

Market information may not be consistent regarding prevailing price levels so if contradictory information regarding a viable buy-sell range is in the market Argus will give the greatest weight to deals for cargoes that conform to Argus' published specification done in the run up to the timestamp (currently 5:00pm Singapore time). For inclusion in the FEI, deals must be judged by Argus to be repeatable and representative.

All bids, offers and deals to be included for Argus assessment are to conform to Ginga standard terms.

For the purpose of the Argus Far East Index assessment, the south China cfr price that makes up 50pc of the AFEI assessment is set at parity to the Japan cfr price assessment. This is in line with current industry practice as China purchases do not conform to the standard traded contract in the region, which is currently the Ginga contract. Argus will keep under review the standard traded contract terms for the region and institute amendments to the AFEI methodology as and when necessary.

Bid and offers must be firm, made in the open market, not subject to special conditions and be valid for a period of time during which a deal could reasonably be transacted. Similarly if a firm bid and/or offer is made after a deal but before the timestamp, Argus will consider this bid and/or offer if it is found to be representative. This bid and/or offer may be viewed by Argus as being more representative of the market at the timestamp than a single non-repeatable deal and may be used as the basis for the price assessment. In the absence of any firm bids and/or offers, Argus shall use inputs from its regular market surveys, plus any other inputs from brokers, market participants or market portals, to establish a valid buy-sell range. This buy-sell range shall be determined using informed market opinions and other indicators judged by Argus to be indicative of market values.

Argus will review swaps and other derivatives markets with an eye toward determining forward market structure and direction. Argus will also refer to the swaps markets to evaluate the outright value of floating prices deals that are reported.

### Market structure

The Argus LPG assessments are for cargoes delivered to destination ports 25-40 days forward from the date of assessments. It is usual that part of this assessment period would be determined by market prices for one delivery period, and another part would be determined by different delivery period. In such cases, Argus will pro-rate the values of the relevant delivery periods. A spreadsheet detailing these inputs is available on a daily basis from Argus on request.

A significant volume of the LPG trade in the eastern LPG markets consists of mixed cargoes that include approximately 11,000t each of propane and butane. These cargoes typically are traded at a single price representing the value of both components.

In the absence of market indicators for 23,000t cargoes of propane or butane, Argus will include 11,000t + 11,000t (known as 11-11) deals and bid/offer ranges in its assessments. This means that the midpoint value of 11-11 deals will be used and an informed consensus differential between propane and butane prices used to calculate individual propane and butane values from the 11,000t + 11,000t midpoint value.

If there is any discrepancy between 23,000t and mixed cargoes then the 23,000t price will set the Argus price quotation for 23,000t propane and 23,000t butane.

### 11+11 propane-butane mix (page 5)

Argus also publishes two mixed cargo quotations of 11,000t propane and 11,000t butane (11-11). One quotation is basis cfr Japan and the other cfr south China.

Argus will use a similar methodology as described above to establish a buy-sell range for these two quotes. Argus will consider a wide range of information, including bids and offers, transactions, informed market views and the performance of other related markets.

Market information may not be consistent regarding prevailing price levels so if contradictory information regarding a viable buy-sell range is in the market Argus will give the greatest weight to deals for cargoes that conform to Argus' published specification done in the run up to the timestamp (currently 5:00pm Singapore time). For inclusion in the mixed cargo quotes, deals must be judged by Argus to be repeatable and representative.

Bid and offers must be firm, made in the open market, not subject to special conditions and be valid for a period of time during which a deal could reasonably be transacted. Similarly if a firm bid and/or offer is made after a deal but before the timestamp, Argus will consider this bid and/or offer if it is found to be representative. This bid and/or offer may be viewed by Argus as being more representative of the market at the timestamp than a single non-repeatable deal and may be used as the basis for the price assessment. In the absence of any firm bids and/or offers, Argus shall use inputs from its regular market surveys, plus any other inputs from brokers, market participants or market portals, to establish a valid buy-sell range. This buy-sell range shall be determined using informed market opinions and other indicators judged by Argus to be indicative of market values.

#### Japan cfr

Prices are in US dollars/tonne. Refrigerated cargoes are of field grade quality. The assessments are for 23,000t cargoes divided equally between propane and butane for delivery into Kawasaki/Chiba (Japan). Prices are for a single, mixed cargo. The assessment is an average price for the period 25-40 days from the publication date. Argus will make a price assessment for each of the days in the

25-40 day forward period taking into account the price structure of the physical market. Physical prices are discussed in the market for different delivery periods in the 25-40 day forward period. The delivery periods are usually discussed as the first half and the second half of the month. So the Argus assessment for 25-40 day forward period, should prices be flat for each of these delivery periods, will be proportionate to the number of days for each half month delivery period within the 25-40 day forward period. The timestamp is 5:00pm Singapore time.

In recent years, it has become common for participants in the Asian cfr market to transact deals that include both a fixed price and floating price component. For example, deals that are a 50:50 average of the Far East Index and a fixed price, are common. In such cases, Argus will use a variety of techniques to determine the value of the deal so that it can be considered in Argus' assessments.

The techniques include examining the forward structure of the LPG swaps market, considering the value of the fixed portion of the deal and using other analytical techniques employed by the industry to derive a fair value for the deal. Argus will use these techniques as appropriate to derive a representative value for deals that are priced on a fixed/floating price basis and consider such deals as warranted in its assessments.

#### South China cfr

Prices are in US dollars/tonne. Refrigerated cargoes are of field grade quality. The assessments are for 23,000t cargoes divided equally between propane and butane for delivery into Shenzhen and Zhuhai in the Guangdong province of south China. Prices are for a single, mixed cargo. The assessment is an average price for the period 25-40 days from the publication date. Argus will make a price assessment for each of the days in the 25-40 day forward period taking into account the price structure of the physical market. Physical prices are discussed in the market for different delivery periods in the 25-40 day forward period. The delivery periods are usually discussed as the first half and the second half of the month. So the Argus assessment for 25-40 day forward period, should prices be flat for each of these delivery periods, will be proportionate to the number of days for each half month delivery period within the 25-40 day forward period. The timestamp is 5:00pm Singapore time.

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### Argus South China cfr Index (Propane and Butane)

Prices are in US dollars/tonne. Refrigerated cargoes are as per original supplier's guaranteed specification. The assessment is for 15,000-23,000t cargoes for delivery into the Pearl River delta (Guangzhou, Zhuhai and Dongguan) of Guangdong province. The assessment is an average price for the period 25-40 days from the publication date. Argus will make a price assessment for each of the days in the 25-40 day forward period taking into account the price structure of the physical market. Physical prices are discussed in the market for different delivery periods in the 25-40 day forward period. The delivery periods are usually discussed as the first half and the second half of the month. So the Argus assessment for the 25-40 day forward period, should prices be flat for each of these delivery periods, will be proportionate to the number of days for each half-month delivery period within the 25-40 day forward period. The timestamp is 5:00pm Singapore time.

The South China cfr assessment considers cargoes of worldwide origin, including Iran. The assessment considers bids, offers and deals for a laycan of a minimum of five days within the 25-40 day forward period and a laytime of up to 48 hours for one safe port. The vessel arrival draught shall not exceed 11.5m and the vessel age shall not exceed 25 years. Payment for the cargo is to be made within 20 days from the vessel's tendered Notice of Readiness (NOR).

### Argus East China cfr Index (Propane and Butane)

Prices are in US dollars/tonne. Refrigerated cargoes are as per original supplier's guaranteed specification. The assessment is for 15,000-23,000t cargoes for delivery into Ningbo, in Zhejiang province. The assessment is an average price for the period 25-40 days from the publication date. Argus will make a price assessment for each of the days in the 25-40 day forward period taking into account the price structure of the physical market. Physical prices are discussed in the market for different delivery periods in the 25-40 day forward period. The delivery periods are usually discussed as the first half and the second half of the month. So the Argus assessment for the 25-40 day forward period, should prices be flat for each of these delivery periods, will be proportionate to the number of days for each half-month delivery period within the 25-40 day forward period. The timestamp is 5:00pm Singapore time.

The East China cfr assessment considers cargoes of worldwide origin, including Iran. The assessment considers bids, offers and deals for a laycan of a minimum of five days within the 25-40 day forward period and a laytime of up to 48 hours for one safe port. The vessel arrival draught shall not exceed 11.5m and the vessel age shall not exceed 25 years. Payment for the cargo is to be made within 20 days from the vessel's tendered Notice of Readiness (NOR).

### Propane pressurised (page 5)

#### South China CP fob

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Cfr south China pressurised cargo quotes are for 1,500-2,500t size for loading from Zhuhai,

Shenzhen and Dongguan, south China. Pressurised cargoes are for deliveries of propane from 30-50:50-70 propane:butane cargoes. For pressurised cargoes (CP plus), the roll date from one month loading to the next will occur on the 20th of the previous month. Timestamp is 5:00pm Singapore time.

#### South China fob

Prices are in US dollars/tonne. Fob south China pressurised cargo quotes are for 1,500-2,500t size for loading from Zhuhai, Shenzhen and Dongguan, south China. For pressurised cargoes fob, the loading window is 5-20 days from the date of publication. Pressurised cargoes are for deliveries of propane from 30-50:50-70 propane:butane cargoes. Timestamp is 5:00pm Singapore time.

#### South China CP cfr

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Cfr south China pressurised cargo quotes are for 1,500 to 2,500t size for delivery into Zhuhai and Sherkou, south China. Pressurised cargoes are for deliveries of propane from either 20:80 or 30:70 propane:butane cargoes. For pressurised cargoes cfr the delivery window is 7-15 days from the date of publication. For pressurised cargoes (CP plus), the roll date from one month delivery to the next will occur on the 20th of the previous month. Timestamp is 5:00pm Singapore time.

#### South China cfr

Prices are in US dollars/tonne. Cfr south China pressurised cargo quotes are for 1,500-2,500t size for delivery into Zhuhai and Sherkou, south China. For pressurised cargoes cfr, the delivery window is 12-20 days from the date of publication. Pressurised cargoes are for deliveries of propane from either 20:80 or 30:70 propane:butane cargoes. Timestamp is 5:00pm Singapore time.

#### Vietnam CP cfr

Prices are in US dollars/tonne. Cfr Vietnam pressurised cargo quotes are for 1,000-2,500t size for delivery into Hai Phong, north Vietnam. For pressurised cargoes cfr, the delivery window is 12-20 days from the date of publication. Pressurised cargoes are for deliveries of 30-50:50-70 propane:butane cargoes. For pressurised cargoes (CP plus), the roll date from one month delivery to the next will occur on the 15th of the previous month. Timestamp is 5:00pm Singapore time.

### Butane pressurised (page 5)

#### South China CP fob

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Cfr south China pressurised cargo quotes are for 1,500-2,500t size for delivery from Zhuhai, Shenzhen and Dongguan, south China. Pressurised cargoes are for deliveries of butane from 30-50:50-70 propane:butane cargoes. For pressurised cargoes (CP plus), the roll date from one month loading to the next will occur on the 20th of the previous month. Timestamp is 5:00pm Singapore time.

### South China fob

Prices are in US dollars/tonne. Fob south China pressurised cargo quotes are for 1,500-2,500t size for loading from Zhuhai, Shenzhen and Dongguan, south China. For pressurised cargoes fob, the loading window is 5-20 days from the date of publication. Pressurised cargoes are for deliveries of butane from 30:50:50-70 propane:butane cargoes. Timestamp is 5:00pm Singapore time.

### South China CP cfr

Prices are in US dollars/tonne. CP basis is the month's CP (Saudi Contract Price) that is the underlying price for the CP differential. Period is the timing of lifting or delivery. Cfr south China pressurised cargo quotes are for 1,500-2,500t size for delivery into Zhuhai and Sherkou, south China. Pressurised cargoes are for deliveries of butane from either 20:80 or 30:70 propane:butane cargoes. For pressurised cargoes cfr, the delivery window is 7-15 days from the date of publication. For pressurised cargoes (CP plus), the roll date from one month delivery to the next will occur on the 20th of the previous month. Timestamp is 5:00pm Singapore time.

### South China cfr

Prices are in US dollars/tonne. Cfr south China pressurised cargo quotes are for 1,500-2,500t size for delivery into Zhuhai and Sherkou, south China. For pressurised cargoes cfr, the delivery window is 12-20 days from the date of publication. Pressurised cargoes are for deliveries of butane from either 20:80 or 30:70 propane:butane cargoes. Timestamp is 5:00pm Singapore time.

### Vietnam CP cfr

Prices are in US dollars/tonne. Cfr Vietnam pressurised cargo quotes are for 1,000-2,500t size for delivery into Hai Phong, north Vietnam. For pressurised cargoes cfr, the delivery window is 12-20 days from the date of publication. Pressurised cargoes are for deliveries of 30:50:50-70 propane:butane cargoes. For pressurised cargoes (CP plus), the roll date from one month delivery to the next will occur on the 15th of the previous month.

## China wholesale propane/butane mix (page 6)

### East China

#### Ex-terminal

##### Ningbo

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Wenzhou

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Taicang

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Shanghai

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Zhangjiagang

Prices are in yuan/tonne. Specification is propane-butane mix.

### Fujian

Prices are in yuan/tonne. Specification is propane-butane mix.

#### Ex refinery

##### Shanghai

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Zhenhai

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Yangzi

Prices are in yuan/tonne. Specification is propane-butane mix.

### Fujian

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Gaoqiao

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Qingdao

Prices are in yuan/tonne. Specification is propane-butane mix.

### South China

#### Ex terminal

##### Zhuhai

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Shenzhen

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Raoping

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Nansha

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Shantou

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Yangjiang

Prices are in yuan/tonne. Specification is propane-butane mix.

#### Ex refinery

##### Maoming

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Guangzhou

Prices are in yuan/tonne. Specification is propane-butane mix.

### Northeast China ex refinery

##### Daqing

Prices are in yuan/tonne. Specification is propane-butane mix.

##### Dalian

Prices are in yuan/tonne. Specification is propane-butane mix.

## Northwest China ex refinery

### Urumuqi

Prices are in yuan/tonne. Specification is propane-butane mix.

## Inland China ex refinery

### Lanzhou

Prices are in yuan/tonne. Specification is propane-butane mix.

### Yan-An

Prices are in yuan/tonne. Specification is propane-butane mix.

## Americas: Mont Belvieu pipeline fob (page 7)

A full methodology for the Americas assessments published in Argus International LPG can be found in the [Argus NGL Americas methodology](#).

## Enterprise

### Propane

See the [Argus NGL Americas methodology](#).

### Propane equivalent (\$/t)

Prices are in US dollars/tonne. The conversion factor is 522.3 USG/t.

### Butane

See the [Argus NGL Americas methodology](#).

### Butane equivalent (\$/t)

Prices are in US dollars/tonne. The conversion factor is 453 USG/t.

### Purity ethane

See the [Argus NGL Americas methodology](#).

### Purity ethane \$/t equivalent

Prices are in US dollars/tonne. The conversion factor is 737.99 USG/t.

### Ethane-propane mix

See the [Argus NGL Americas methodology](#).

### Isobutane

See the [Argus NGL Americas methodology](#).

### Natural gasoline

See the [Argus NGL Americas methodology](#).

### USGC export fob, diff to Mont Belvieu

See the [Argus NGL Americas methodology](#).

### USCG export fob (\$/t)

See the [Argus NGL Americas methodology](#).

## LST

### Propane

See the [Argus NGL Americas methodology](#).

### Butane

See the [Argus NGL Americas methodology](#).

## Targa

### Propane

See the [Argus NGL Americas methodology](#).

### Purity Ethane

See the [Argus NGL Americas methodology](#).

## US Enterprise averages

### Propane

See the [Argus NGL Americas methodology](#).

### Butane

See the [Argus NGL Americas methodology](#).

## US forward market

### Mont Belvieu

The Mont Belvieu propane and butane forward curves are the value of the swap futures markets at the time of the Nymex close, typically 2:30pm New York time. The bid is the highest available bid. The offer is the lowest available offer. The mean is the midpoint of the two.

## LNG assessments

Argus International LPG includes a weekly northwest Europe small-scale LNG free on truck price assessment, published on Thursday in energy (€/MWh) and tonnes of propane equivalent (\$/t propane equivalent).

See the [Argus LNG Daily methodology](#) for details.

The conversion to tonnes of propane equivalent is based on a propane energy content of 50.4MJ/kg.