



The trading firms under investigation in Brazil graft probe

Last week, Brazilian investigators accused four of the world's largest oil-trading firms of participating in a corruption scheme focused on Brazil's state-controlled oil company Petrobras.

Federal prosecutors allege Vitol, Glencore, Trafigura and Mercuria along with several small firms collectively paid at least \$31 million in bribes over a six-year period to Petrobras insiders to secure oil deals at advantageous prices. Prosecutors said what they have uncovered so far is the "tip of the iceberg".

The investigation is ongoing and the firms have not been charged. Mercuria denied the allegations. Vitol, Mercuria and Glencore said they would cooperate with the Brazilian investigation while Trafigura said it was reviewing the allegations.

Trafigura, Mercuria and Vitol said they have a zero-tolerance policy for bribery and corruption. Glencore said it takes ethics and compliance seriously.

Arrest warrants were issued for 11 suspects, eight of whom are in custody. None were current employees of Vitol, Glencore, Trafigura or Mercuria.

The four firms move 10 percent of the world's daily oil consumption and have combined revenues of nearly \$630 billion. But despite their size, they are not household names.

Here is a look at the companies and some details from last week's law enforcement action in Brazil.

THE TRADERS

Historically, these companies have kept low profiles, making profits off of transporting commodities like copper, coal and crude oil from the mines and fields to consumers. With a high appetite for risk, they have worked in conflict areas and with controversial governments.

As their traded volumes have grown over the last ten years, they have invested globally in strategic pipelines, ports, major fuel station networks, shipping, large oil refineries, mining and even some oilfields.

Trafigura and Glencore are both successors to a firm run by the late Marc Rich, the man who invented oil trading.

Belgian-born Rich was indicted by U.S. authorities in 1983 on a host of criminal charges including tax evasion, wire fraud and trading with Iran in violation of U.S. sanctions. Rich was pardoned by U.S. President Bill Clinton.

Glencore, Switzerland-based and listed in London, bought miner Xstrata in 2013 and is now among the top four biggest listed mining companies. The firm remains the third-biggest oil trader, but its energy business is a small part of its overall portfolio. It also has an agricultural trading business.

Along with energy, Trafigura has a major metals and minerals division that accounted for more than half of its gross profits this year. Mercuria has also developed a metals and minerals team and has invested in oil production.

London-based Vitol has stayed energy-focused and is the world's largest independent oil trader at over 7 million barrels per day.

Prosecutors alleged that smaller oil trading firms were also involved in the suspected bribery scheme.

<https://www.reuters.com/article/us-brazil-corruption-oil-traders-factbox/factbox-the-trading-firms-under-investigation-in-brazil-graft-probe-idUSKBN1OC0HD>

China Splurged on Mideast, African Oil in November Price Plunge

China bought huge amounts of Middle East and West African crude as oil prices were collapsing in November.

Oil tankers loaded 6.5 million barrels a day from ports in the two regions for Chinese buyers in November, a 26 percent increase compared with the average over the prior 10 months, ship tracking compiled by Bloomberg shows. With deliveries taking between 25 and 40 days, many of the barrels will arrive this month or even in January.

Year-End Binge

The surge in flows happened just as Brent crude was plunging 22 percent in November, deepening a rout that got underway early the prior month. The deliveries are another piece of evidence -- from shipping rates, to imports, to cargo-loading data -- that indicate heightened purchasing by the Asian country.

China's implied crude oil inventories expanded by a record 45 million barrels in November as refinery throughput declined and imports expanded, the Paris-based International Energy Agency said in a monthly report on Thursday.

The November shipments will also offer the country a little buffer against any supply shocks. The Organization of Petroleum Exporting Countries and its allies said Dec. 7 that they would restrict output by 1.2 million barrels a day starting in January. China has also been engaged in a trade war with the U.S., although there are now signs the dispute is easing.

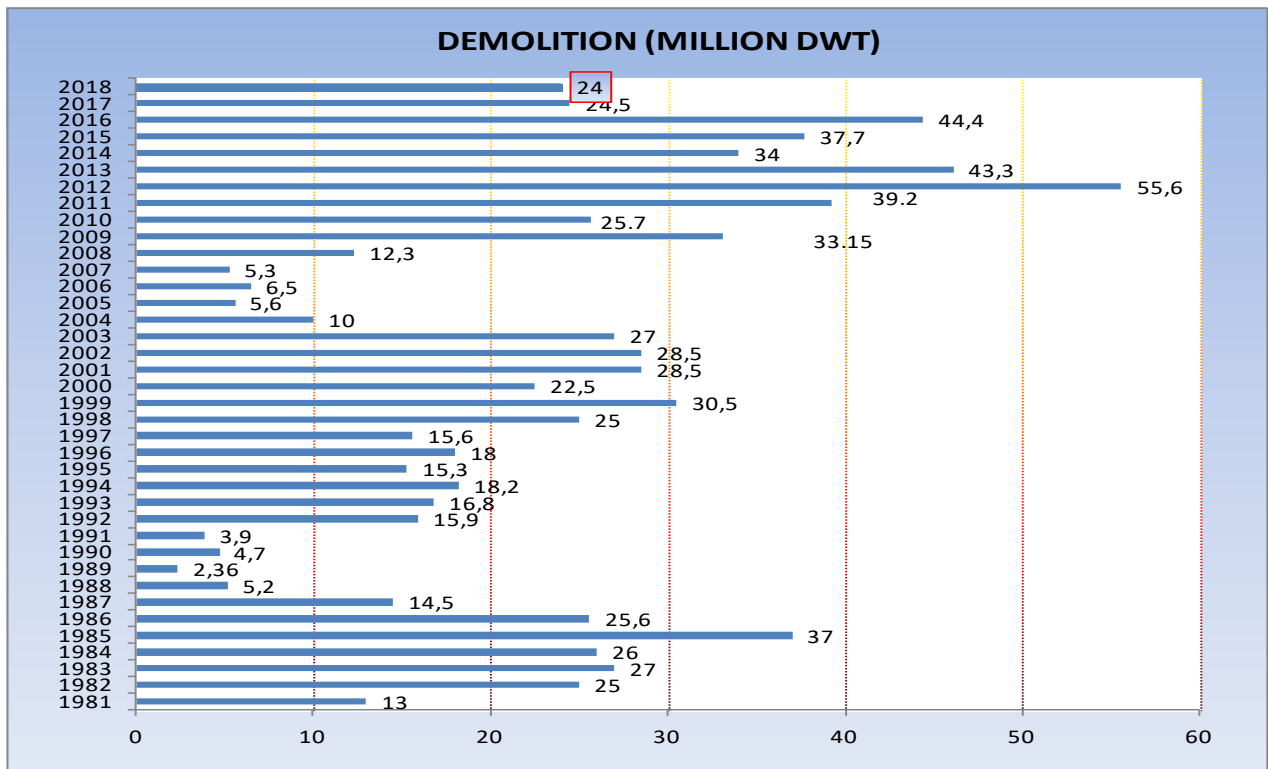
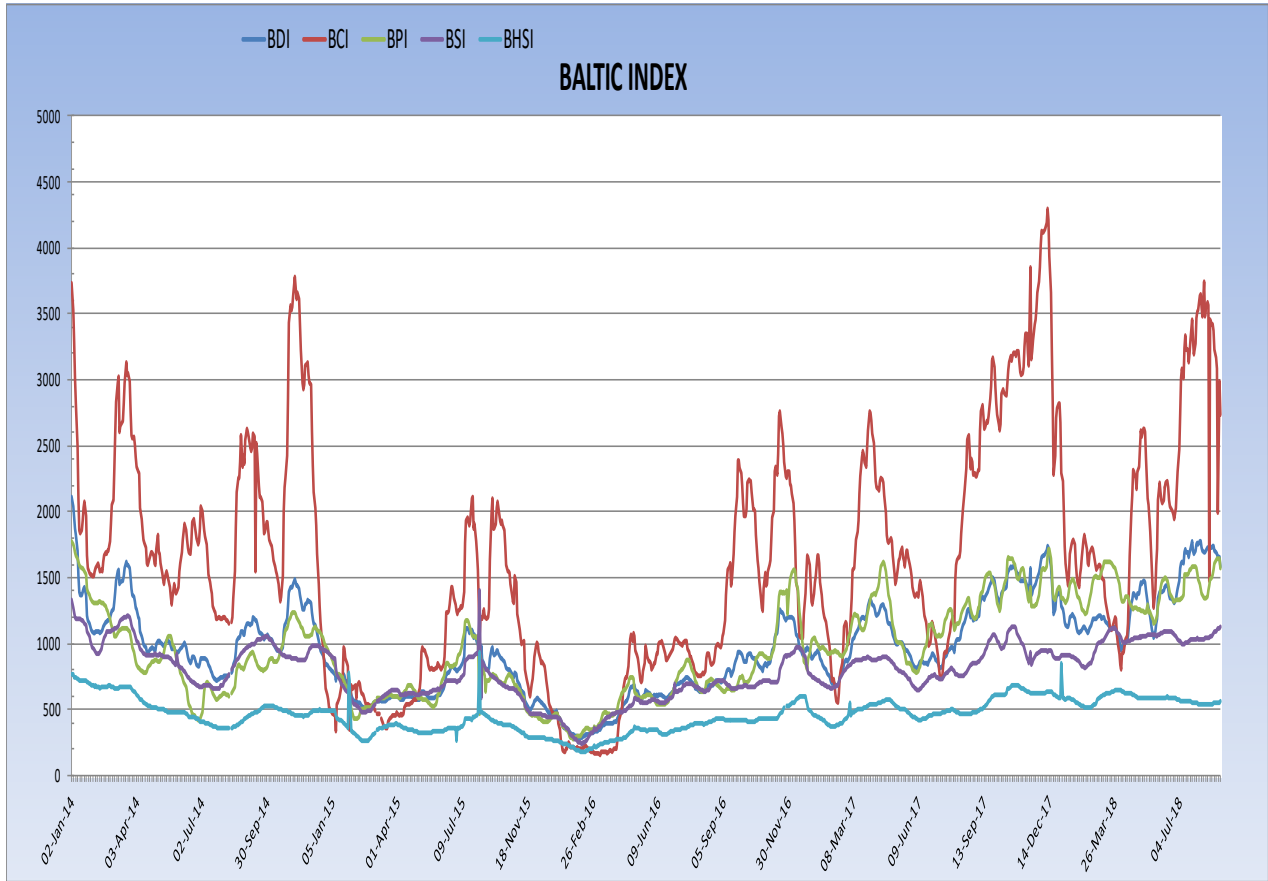
Crude exports to China from the Persian Gulf, including non-OPEC member Oman, rose by 27 percent to more than 4.8 million barrels a day compared with the January-October average of 3.8 million. Exports from West Africa climbed to 1.8 million, up from average flows of 1.4 million in the prior 10 months.

China's crude demand also got a boost from the surprise quota announcement in November, and start of trial runs at the Hengli mega refinery in mid-December.

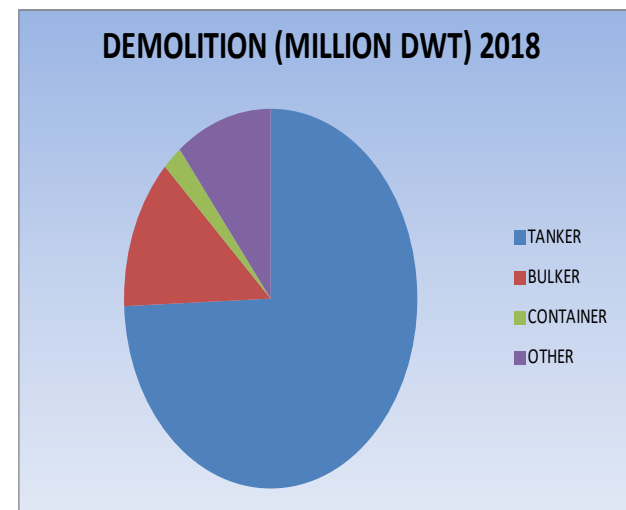
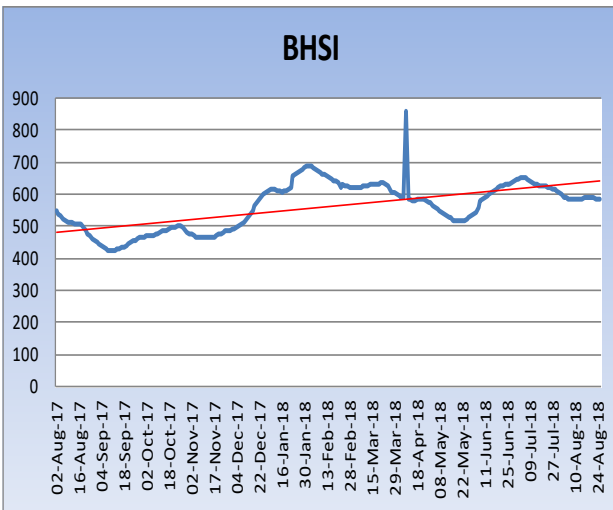
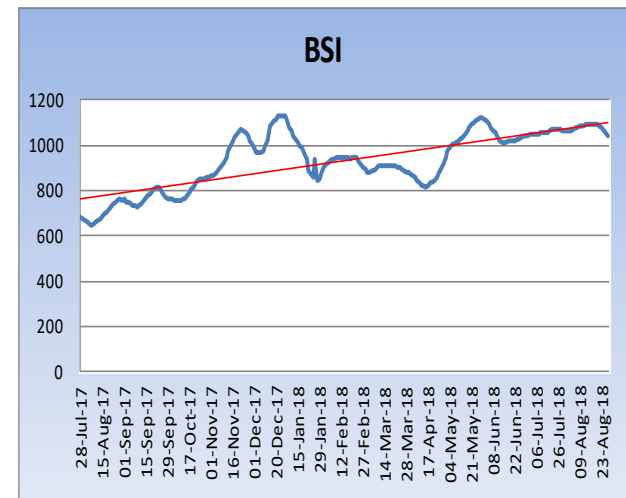
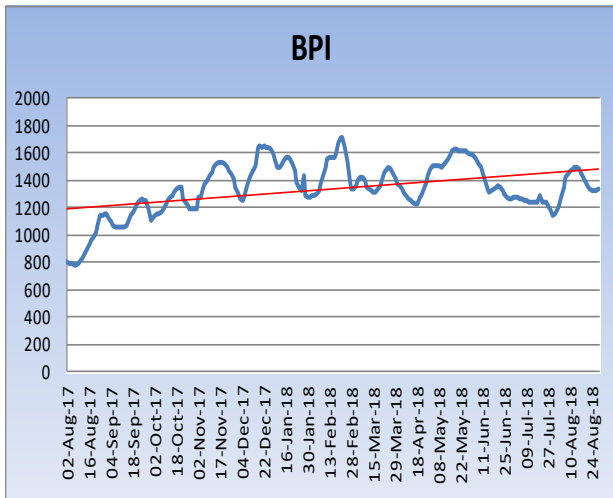
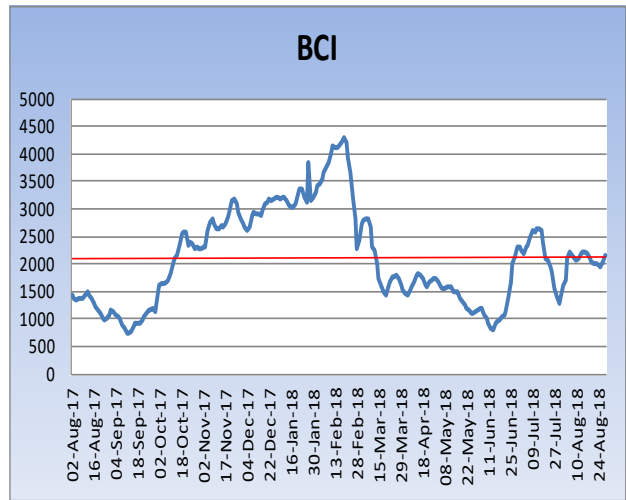
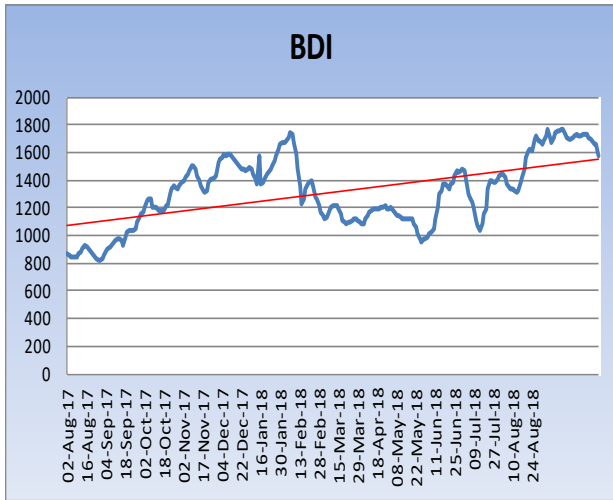
<https://www.bloomberg.com/news/articles/2018-12-13/china-splurged-on-mideast-african-oil-in-november-price-plunge>

SALE & PURCHASE							
BULK CARRIER	DWT	BLT	PLACE	M/E	BUYER	\$ Mil	\$/dwt
FIVE STARS BEIJING	181.417	2010	SASEBO SASEBO	MAN-B&W	CLIENTS OF ZHUNUO SHIPPING	23.100.000	127
SHAGANG HONGCHANG	179.469	2011	HYUNDAI HEAVY INDS - G	MAN-B&W	CHINESE BYRS WITH T/C ATTACHED AT USD 20,000 PER DAY UNTIL	33.000.000	184
SHAGANG HONGFA	179.461	2011	HYUNDAI HEAVY INDS - G	MAN-B&W		33.000.000	184
AMORITO	179.322	2012	SUNG DONG SHIPBUILDING	MAN-B&W	CLIENTS OF GLOVIS	32.500.000	181
SEATRIBUTE	81.642	2012	DAEWOO SHIPBUILDING &	MAN-B&W	FEAST BYRS	20.000.000	245
VERONIQUE D	58.698	2012	NANTONG COSCO KHI SHIP	MAN-B&W	GREEK BYRS	16.000.000	273
JIN QUAN	51.104	2002	OSHIMA SHIPBUILDING	B&W	CLIENTS OF BAO FORTUNE SHIPPING	6.900.000	135
ZEBRA WIND	50.820	2009	OSHIMA SHIPBUILDING	MAN-B&W	UNDISCL. BYRS	Undiscl. Price	
CORAL OCEAN	31.989	2012	HAKODATE DOCK - HAKODA	Mitsubishi	TURKISH BYRS	14.100.000	441
TANKER	DWT	BLT	PLACE	M/E	BUYER	\$ Mil	\$/dwt
NAVION SCANDIA	126.749	1998	SESTAO ASTILLEROS SRL	B&W	CLIENTS OF ANDROMEDA	Undiscl. Price	
SINGAPORE RIVER	115.126	2009	SASEBO SASEBO	MAN-B&W	CLIENTS OF ROSWELL TANKERS CORP	23.250.000	202
GULF VISION	114.900	2012	SAMSUNG HEAVY	MAN-B&W	GREEK BYRS	31.500.000	274
GULF VALOUR	114.900	2013	SAMSUNG HEAVY INDUSTRI	MAN-B&W		32.500.000	283
MARAN SAGITTA	105.071	2009	HYUNDAI HEAVY INDS - U	MAN-B&W	GREEK BYRS	Undiscl. Price	
LPG SCORPIO	58.814	2003	HYUNDAI HEAVY INDS - U	MAN-B&W	CHINESE BYRS	Undiscl. Price	
CPO INDIA	51.703	2010	HYUNDAI MIPO DOCKYARD	MAN-B&W	CLIENTS OF TUFTON OCEANIC	36.000.000	348
CPO CHINA	51.672	2010	HYUNDAI MIPO DOCKYARD	MAN-B&W			348
HIGH TRADER	49.990	2015	HYUNDAI-VINASHIN SHIPY	MAN-B&W	UNDISCL BYRS	27.000.000	540
ARDMORE SEAVANGUARD	49.997	2014	SPP SHIPBUILDING	MAN-B&W	CHINESE BYRS	Refinancing transaction; inclu 7 years BB back with repurchase options	
ARDMORE EXPORTER	49.526	2014	STX OFFSHORE & SHBLDG	MAN-B&W			
ARDMORE EXPORTER	49.526	2014	STX OFFSHORE & SHBLDG	MAN-B&W			
AYESHA	47.134	2008	HYUNDAI MIPO DOCKYARD	MAN-B&W	UNDISCL. BYRS	16.000.000	

MAERSK MIZUSHIMA	45.996	2009	SHIN KURUSHIMA ONISHI	MAN-B&W	UNDISCLOSED BUYERS	16.000.000		
ARDMORE SEAMASTER	45.840	2004	SHIN KURUSHIMA ONISHI	Mitsubishi	UNDISCL. BYRS	8.200.000	179	
CPO NORWAY	37.321	2008	HYUNDAI MIPO DOCKYARD	MAN-B&W	EUROPEAN BYRS	12.000.000	322	
CPO ENGLAND	37.313	2008	HYUNDAI MIPO DOCKYARD	MAN-B&W		12.000.000	322	
CPO FRANCE	37.304	2008	HYUNDAI MIPO DOCKYARD	MAN-B&W		12.000.000	322	
CPO GERMANY	37.297	2008	HYUNDAI MIPO DOCKYARD	MAN-B&W		12.000.000	322	
CPO RUSSIA	37.296	2008	HYUNDAI MIPO DOCKYARD	MAN-B&W		12.000.000	322	
CPO FINLAND	37.293	2008	HYUNDAI MIPO DOCKYARD	MAN-B&W		12.000.000	322	
CPO ITALY	37.282	2008	HYUNDAI MIPO DOCKYARD	MAN-B&W		12.000.000	322	
CPO SWEDEN	37.280	2008	HYUNDAI MIPO DOCKYARD	MAN-B&W		12.000.000	322	
NORDIC RUTH	35.820	2000	DAEDONG SHIPBUILDING -	Sulzer		UNDISCL. BYRS	5.000.000	140
CAROLINA WIND	2.698	1994	METALCOST	Yanmar		UNDISCL. BYRS	Undiscl. Price	
CONTAINER	DWT	BLT	PLACE	TEU	BUYER	\$ mil	\$/dwt	
NYK THEMIS	80.227	2008	HYUNDAI HEAVY INDS - U	6.661	SPORE BYRS	Undiscl. Price		
CATHARINA SCHULTE	34.457	2006	STX SHIPBUILDING	2.602	CLIENTS OF TUFTON OCEANIC	13.000.000	377	
AS SAVONIA	21.614	2000	HANJIN HI & CONST - BU	1.679	GERMAN BYRS	3.600.000	167	
Ro-Ro / MPP / Ferry / Reefer	DWT	BLT	PLACE	TYPE	BUYER	\$ mil	\$/dwt	
SUDKAP	7.734	2000	GDANSKA STOCZNIA GRUPA	Gen. Cargo	UNDISCL. BYRS	Undiscl. Price		
DEMO	TYPE	DWT	BLT	LDT	\$ LT / ldt	\$	PLACE	
LEGACY KASIM	BC	33.734	1978	8.328				
PAUL ABRAO	CONTAINER	22.026	1996	7.393	460	3.400.780	"AS IS" COLOMBO	
KOTA JELITA	CONTAINER	22.330	1997	7.426	475	3.527.350	BANGLADESH	
TENAGA LIMA	GAS TANKER	72.083	1981	29.492			BANGLADESH	
GAS PUFFIN	GAS TANKER	9.433	1991	4.426	505	2.235.130	INDIA	
ARKAIM-5	GENERAL CARGO	5.327	1982	1.786			BANGLADESH	
SKS TRINITY	OBO	109.798	1999	18.709			INDIA	
CHAN HAN 6	REEFER	4.392	1980	2.202			BANGLADESH	
VAN CHERRY	RO-RO CARGO	12.249	1994	13.826	482	6.664.132	"AS IS" SPORE	
BUNGA KELANA 6	TANKER	105.811	1999	17.064			BANGLADESH	



12 MONTHS STATISTICS



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