



# **Quoting Guide SGX LNG Index Group**

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**August 2017**

## About SGX LNG Index Group (“Sling”)

The SGX LNG Index Group (“Sling”) is a set of indices created by Energy Market Company (“EMC”) and Singapore Exchange Limited (“SGX”) and is designed to represent the spot price of spot Liquefied Natural Gas (“LNG”) cargoes at select locations.

This quoting guide serves to ensure consistency and aid Participants in making evaluations of Assessments to be submitted in consideration of the Sling index values. Assessments must be made via the upload page in the LNG Secure Area<sup>1</sup> found on the Sling website.

Unless otherwise defined, all terms used in this document shall have the meanings ascribed to them under “Terminology” section.

## Assessment Considerations

- The Singapore Sling Assessment should exclude local terminal charges, as the index is intended to be an Asian LNG proxy without consideration for the conditions in the Singapore LNG Corporation (“SLNG”) terminal.
- The North Asia Sling Assessment is based on values of physical cargoes to be delivered ex-ship (“DES”) in Japan, Korea, Taiwan, and China for the designated delivery period.
- The Assessment should be based on an LNG cargo of between 135,000 m<sup>3</sup> to 175,000 m<sup>3</sup>, hence neither break bulk nor Q-max volumes.
- The Dubai/Kuwait/India (“DKI”) Sling Assessment is based on values of physical cargoes to be delivered ex-ship (“DES”) in Dubai, Kuwait, India to the specified ports for the designated delivery period. The Assessment should be based on an LNG cargo of between 138,000 m<sup>3</sup> to 170,000 m<sup>3</sup>. For more details, refer to **Methodology and Specifications Guide** for the quoting specifications.
- Ideally, submissions to the index should consist of verbatim observable transactions. However, in times of limited actual transactions, it may be necessary to rely on non-transactional data to evaluate an Assessment submitted for the Index Determination. To promote a standardised approach, Sling Assessments should adopt the following hierarchy for data based on recommendations by International Organization of Securities Commissions (“IOSCO”):
  1. **Verbatim arms-length transactions of an LNG cargo concluded by the Participants on the Underlying Interest.** These transactions were concluded for a cargo of acceptable specifications with delivery in the period being assessed.
  2. **Adjusted arms-length transactions of an LNG cargo concluded by the Participants in a related market.** These transactions could differ geographically and are adjusted for relevance to the Underlying Interest.
  3. **Observed transactions of an LNG cargo concluded by third parties on the Underlying Interest.** These transactions are not concluded directly by the Participant but are observed and submitted verbatim.
  4. **Executable quotes given to or received/observed by the Participants.** These are actual bids and offers in the market for cargoes for the Underlying Interest.

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<sup>1</sup> A secure platform in EMC website to submit the Sling assessments and view the index values.

5. **Other market information or expert judgment.** This constitutes all other information such as transactions of differing volumes or timeframes or other observed information in relation to the market which cannot be submitted verbatim, but can be used to evaluate an Assessment of cargoes of the Underlying Interest.

### Terminology

Terms used in this document shall have the following meanings ascribed to them:

**Assessments** – The individual half month evaluations in the specified location.

**Index Determination** - The determination of the Sling indices, which are assessed and published on every Assessment day.

**Participants** – Entities (LNG players) that contribute to the Sling index, and which are active in the physical LNG market.

**Underlying Interest** – Spot LNG cargo transactions that occur within the defined area of interest and relevant timeframe, that are being considered for the determination of the index value.