

THE MARKET THIS WEEK

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SOUTH AFRICAN WORKERS STRIKE HITS CARGO MOVEMENT, INDUSTRIES VOICE CONCERNS

Industries including shipping, mining and trading have voiced concerns over ongoing **strike action** by port and rail workers at state-owned logistic company Transnet over pay hike disputes. The situation has already started to affect cargo movements in ports across the country. But bunker operations are still running normally, a source says.

FUJAIRAH'S VLSFO AT DISCOUNTS TO OTHER HUBS AMID SLUGGISH DEMAND

Fujairah's VLSFO price has been at discounts to Singapore and Zhoushan since last week. Suppliers in the UAE port have been trimming prices to **attract demand**, which has been weak, sources say. Recommended lead times for VLSFO are around six days in Fujairah. Lead times of five days are advised for LSMGO and seven days for HSFO.

BAD WEATHER RAISES CONCERNS OVER SMOOTH BUNKER DELIVERIES IN LAS PALMAS

Strong winds and waves ranging up to 1.9 metres hit Las Palmas on Thursday. Weather conditions are forecast to remain harsh until Saturday, which could disrupt bunker operations at the port's weather-exposed outer anchorage, port agent MH Bland says. Some vessels are taking deliveries at the more sheltered inner anchorage. **Delays** are expected this week.

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HUNDREDS OF LIVERPOOL DOCKWORKERS DOWN TOOLS AGAIN

Dockworkers at the Port of Liverpool begun a second round of strikes from Tuesday as their **pay hike dispute** with the port remains unresolved. It follows a two-week strike that ended on 2 October. A similar dispute is going on in the UK's Port of Felixstowe.

More strike action in several of the UK's biggest container ports has raised concerns over cargo and vessel movement, which could drive traffic towards container hubs abroad such as Antwerp and Rotterdam. sources say.

According to Marine Traffic, Rotterdam continued to top the list of the busiest ports in Europe by container ship traffic in the third quarter of this year.

FUJAIRAH FUEL OIL STOCKS GROW AMID MORE RUSSIAN CARGO INFLOWS

Fujairah’s residual fuel oil inventories have grown by 3% over September levels this month, with a major increase in imports of Russian barrels contributing to a **net import surplus**. Fuel oil imports to the Fujairah oil hub are estimated by cargo tracker Vortexa to have doubled from September, to 336,000 b/d so far in October. More than a third of its fuel oil cargo volumes have come from Russia this month, followed by substantial volumes from Iraq and Algeria.

Several suppliers in the UAE port can deliver HSFO, VLSFO and LSMGO prompt, and some have lowered their offer prices in an effort to attract demand, sources say.

Average Fuel Oil Stocks in October

13.02m
bbls

Average Fuel Oil Stocks in September

12.60m
bbls

CEPSA JOINS PORT OF ROTTERDAM TO CREATE GREEN HYDROGEN CORRIDOR

Spanish oil company Cepsa aims to create a **green hydrogen corridor** between the ports of Rotterdam and Algeciras by 2027. The hydrogen will be produced at Cepsa’s San Roque Energy Park near the Bay of Algeciras and will be exported in the form of ammonia or methanol to Rotterdam. Cepsa intends to develop a similar supply chain from its La Rábida Energy Park in the Spanish port city of Huelva.



VOPAK PREPARES FOR GREEN AMMONIA STORAGE IN THE NETHERLANDS

Dutch terminal company Vopak plans to convert two existing LPG storage tanks at its Vlissingen terminal in the Netherlands to store **green ammonia**. This will help to address the growing need for renewable energy in the region, Vopak says. The terminal will later be connected to the Northwest European hydrogen network, which can be used to supply the Netherlands, Belgium and Germany.

WEEKLY BRENT DEVELOPMENTS

Brent is heading for a **3% fall** on the week as OPEC and the International Energy Agency (IEA) trimmed their global oil demand forecasts amid mounting concerns over an impending recession.

Downward pressure:

OPEC has lowered its global oil demand growth forecast by 460,000 b/d to 2.64 million b/d for this year, and by 360,000 b/d to 2.34 million b/d for 2023. The group has factored in economic challenges in Europe, inflationary concerns in other major economies and re-emergence of Covid-19 cases in China.

The IEA has forecast oil demand growth to decline by 340,000 b/d to 1.9 million b/d in the fourth quarter, and by 470,000 b/d to 1.7 million b/d next year.

The International Monetary Fund (IMF) has cut its global economic growth forecast for 2023.

Upward pressure:

OPEC+ has agreed to slash its joint production quota by 2 million b/d from November. But as several OPEC+ members are already unable to meet current output quotas, the group’s actual production cut will likely be smaller.

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