

THE MARKET THIS WEEK

A summary of the most important developments in the bunker market this week, at your fingertips every Friday

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THOUSANDS OF PORT WORKERS STRIKE IN CHILE

Around 6,500 port workers in Chile, represented by Union Portuaria across 23 terminals and Chilean ports, started a **48-hour strike** from Wednesday morning. Workers are demanding better working conditions and modernisation of port regulations. The ports of Antofagasta, San Antonio, Iquique and San Vicente are likely to be the most affected, according to security firm GardaWorld.

BUNKERING RESUMES IN GOLA AFTER FIVE DAYS

Several suppliers resumed bunker deliveries in the Galveston Offshore Lightering Area (GOLA) from Wednesday. Bad weather had kept bunker operations **unworkable** since last Friday. Suppliers have been working to clear backlog of vessels during calmer weather, but the intensity of winds and swells is expected to increase from Friday morning and through to Saturday, which may cause another bunker delays or suspension, sources say.

ALGOA BAY BUNKERING HALTED AMID ROUGH WEATHER

Winds ranging up to 35 knots and waves of around 3 metres hit Algoa Bay on Thursday, disrupting **bunker operations** in the bay. Weather is forecast to remain rough until Saturday, which could cause more delays and disruptions. Seven vessels are due to arrive for bunkers in Port Elizabeth and Algoa Bay this week, according to Rennies Ships Agency.

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THE CONTINUED CHALLENGES OF CLAUSE 5

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EU'S REVISED BUNKER TAX COULD BE DELAYED INDEFINITELY

A revised **European Taxation Directive** (ETD) that was meant to tax heavy fuel oil and gasoil sales to ships in EU ports has been put on hold. The ETD has not been revised since it first came into force in 2003, and the EU has recently been working to revise it. The idea is to make it more in sync with the EU's Fit for 55 package that aims to reduce the block's greenhouse gas emissions by 55% by the end of the decade. The proposal for a revised ETD sets out minimum excise duty rates for taxation of energy products including bunkers. Under the proposal, all bunkers sold in the EU and used on voyages within the EU would be taxed. "The ETD file is put on hold (frozen) in the light of the ongoing energy crisis and the file will be reassessed in March 2023," a European Parliament representative said.

FUJAIRAH MIDDLE DISTILLATE STOCKS DRAWN FURTHER

Fujairah's middle distillate inventories have dropped for four consecutive weeks after hitting multi-month highs in September, the latest data from Fujairah Oil Industry Zone (FOIZ) and S&P Global shows. But these stocks have still averaged 11% higher so far in October than in September. Meanwhile, fuel oil inventories have held above 12 million bbls through September and October so far, recovering from a low of 8 million bbls in June.

Prompt availability is **tight** across all grades in Fujairah. Recommended lead times for LSMGO stretch out to nine days. Shorter lead times of seven days are advised for VLSFO and HSFO.

Average Middle Distillate Stocks in October

3.61m
bbls

Average Middle Distillate Stocks in September

3.26m
bbls

VOPAK SINGAPORE MULLS STORAGE EXPANSION FOR AMMONIA AT BANYAN TERMINAL

Vopak considers expanding its ammonia storage capacity in Singapore to cater to future demand from the power and maritime sectors. Its Banyan terminal is an integrated oil, chemical and gas storage facility with a capacity of 1.5 million cbm. It houses a 10,000-cbm refrigerated **ammonia** tank. Ammonia is widely considered as one of the most promising future fuels with zero-carbon potential.



OMAN AIMS TO PRODUCE 1 MILLION MT OF GREEN HYDROGEN BY 2030

The sultanate has created a state-owned **hydrogen**-focused energy company, Hydrogen Oman (HYDROM), to oversee its hydrogen projects. HYDROM will allocate government land to developers and aid them in planning green hydrogen production projects. "Oman is committed to decarbonise and help the world decarbonise," Oman's Energy Minister Salim Al Aufi said.

WEEKLY BRENT DEVELOPMENTS

Brent is heading for a **3% rise** on the week as US crude stocks grew by less than expected, and as the dollar weakened.

Upward pressure:

Commercial US crude stocks grew by 2.58 million bbls on the week, government figures showed, much less than the 4.5 million-bbl build estimated by the API. The US dollar slipped to five-week lows on Wednesday after data showed that manufacturing and service sector activity has slowed for a fourth consecutive month. Market participants are now expecting the Fed to take a less aggressive monetary policy path.

Downward pressure:

International Energy Agency (IEA) head Fatih Birol said its member countries still have a "huge amount" of oil stocks to be released in case of supply disruptions. Earlier this month, the IEA warned that higher oil prices could trigger recession. White House spokesperson John Kirby has stated that US President Biden is committed to keeping oil prices down and balancing supply and demand.

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