

# THE MARKET THIS WEEK

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## CHINA ISSUES MORE GASOIL AND VLSFO EXPORT QUOTAS

The Chinese government has allocated 13.25 million mt of gasoil, diesel and jet fuel for exports, and about 1.75 million mt of VLSFO for **bonded bunkering** in Zhoushan and other ports. The fresh export quotas have been issued against the backdrop of sluggish domestic fuel demand. Sources expect Chinese refineries to boost production and exports this month.

## FLORIDA OPERATIONS RESUME AFTER HURRICANE

Port operations and bunkering resumed in Florida's Port Tampa Bay last weekend, following **Hurricane Ian** that hit the port last Wednesday. Several suppliers have started offering deliveries for prompt dates and for dates further out in Port Tampa Bay. But bunker deliveries by truck have been difficult to find this week as some trucks have been deployed for disaster relief work after Hurricane Ian struck, sources say.

## OOMCO ADDS NEW BUNKER TANKER IN DUQM

Oman Oil Marketing Company (OOMCO) has added the *MT Bravo* to its bunker tanker fleet. The 10,000 dwt capacity bunker tanker is currently located in the Omani port of Sohar and will eventually be relocated to deliver VLSFO and LSMGO in **Duqm**.

OOMCO also operates another bunker tanker, *MT Alpha*, which delivers stems in Sohar and the nearby UAE port of Khor Fakkan.



## LAS PALMAS HSFO PRICE SURGES AMID LIMITED SUPPLY

**HSFO** supply is tight in the Canary Islands Las Palmas' benchmark price has moved up to premiums over other ports in the region this week.

A supplier has been running low on product and expects a resupply cargo to boost its supplies when it arrives in mid-October. Another supplier in the Canary Islands is mostly supplying on a term contract basis, sources say.

Las Palmas' HSFO price was trading close to Gibraltar's level until Tuesday, and below levels in Ceuta and off Malta. But it then shot up to wide premiums. HSFO is also tight for prompt delivery dates in Gibraltar. Around 5-6 days of lead time is recommended there.

## FUJAIRAH'S FUEL OIL STOCKS GREW AMID LESS EXPORTS IN SEPTEMBER

Fujairah's heavy distillate and **residual fuel oil** inventories inched higher in the last week of September and averaged higher throughout the month than in August. These inventories have mostly been growing since they hit a low of about 8 million bbls in June this year, data from Fujairah Oil Industry Zone (FOIZ) and S&P Global shows.

Cargo tracker Vortexa estimates that Fujairah's fuel oil exports dropped by 55,000 b/d to 413,000 b/d between August and September.

Prompt supply across all grades is tight in Fujairah's bunker market. Recommended lead times for HSFO, VLSFO and LSMGO are 6-8 days.

Average Fuel Oil Stocks in September

**12.61m**  
bbls

Average Fuel Oil Stocks in August

**11.96m**  
bbls

## MAERSK SUPPLY SERVICE ON TRACK TO ACHIEVE NET ZERO AMBITION

Maersk Supply Service (MSS) has reduced the **carbon dioxide (CO2) intensity** of its fleet by 17% since 2018, its chief operating officer Mark Handin said. MSS has set an interim target of 50% CO2 intensity reduction by 2030, before full decarbonisation by 2040. To meet its 2030 target, MSS has focused on lowering consumption of oil-based bunker fuels through efficiency gains. It aims to use biofuel more widely and eventually zero-carbon fuels.



## SINGAPORE LAUNCHES BIOFUEL BUNKER QUALITY STANDARDS

The Maritime and Port Authority of Singapore (MPA) has developed a quality standards document - WA 2:2022 - to support **biofuel** bunkering in Singapore. It is a set of provisional national standards for marine biofuel specifications. MPA has asked all licensed bunker suppliers, bunker craft operators, bunker surveyors, buyers and fuel testing labs to use the WA 2:2022 standard for biofuel bunkering.

## WEEKLY BRENT DEVELOPMENTS

Brent is on track for a massive **11% increase** on the week as OPEC+ agreed on major output quota cuts to counter concerns over oil demand destruction.

### Upward pressure:

At a meeting held on Wednesday, OPEC+ agreed to slash its joint production quota by 2 million b/d from August levels. The production cuts will start from November. This will be the largest reduction since the group's historic 9.7 million b/d cut in April 2020, when the pandemic had crushed demand.

The group said that the latest output-cut decision was made "in light of the uncertain global economic and oil market outlooks." It hopes the move will prop up Brent futures that had dropped to \$85/bbl last month.

### Downward pressure:

The White House has called OPEC+'s decision a "shortsighted" measure, and President Joe Biden expressed disappointment over the agreement.

The Biden administration said it will continue to release Strategic Petroleum Reserves (SPR) and discuss strategies "to reduce OPEC's control of energy prices".

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