

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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HSFO LIMITED IN PANAMA IN WAIT FOR RESUPPLY

Several bunker suppliers in Panama's Balboa and Cristobal have been unable to supply HSFO on prompt dates amid a lack of product availability in recent weeks. All grades are tight for prompt dates, but HSFO is particularly tight as several suppliers are running low on stock and await resupply cargoes, sources say. Two suppliers can deliver HSFO stems in Balboa with **1 and 2 weeks** of lead time, while several others have limited product available.

FUJAIRAH FACED WEAK DEMAND IN NOVEMBER

Suppliers in Fujairah continued to grapple with weak bunker demand in November. A source said that several suppliers and buyers have been holding back on trading until more details on the **G7 price cap** on Russian oil are finalised to answer more questions around future supply dynamics. Recommended lead times for both VLSFO and LSMGO in Fujairah are around nine days, and HSFO requires seven days.

ZHOUSHAN OPL BUNKERING SUSPENDED FOR DAYS

Bunker deliveries in Zhoushan's outer port limits area have been suspended by strong winds and swells since Sunday, and are likely to resume on Friday, when calmer weather is forecast, White Whale Shipping Agency said. **Strong congestion** has been reported in Zhoushan. On Thursday, there were 27 vessels waiting to bunker across Zhoushan's anchorages, a substantial increase from five on Wednesday. There were 12 vessels waiting to bunker at Tiaozhoumen, nine at Xiazhimen, four at Xiushandong and two at Mazhi.

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are holding relatively firm**

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ROTTERDAM LOOKS TO SCALE GREEN HYDROGEN PRODUCTION WITH 'BATTOLYSER' CONCEPT

Port of Rotterdam has partnered with Dutch company Battolyser Systems to install a "Battolyser" plant capable of producing 1 gigawatt/year of **green hydrogen**. The Battolyser is a novel concept, where a battery is integrated with an electrolyser. As a battery, it stores and supplies electricity, and when fully charged, it functions as an electrolyser. Due to its built-in battery, it can cope well with fluctuations in renewable electricity, its developers argue.

"Companies in the port are already actively working on projects regarding production, imports, shipping, storage, and use of green hydrogen. With this factory, we add green hydrogen equipment manufacturing to that portfolio," Port of Rotterdam chief executive Allard Castelein said.

MONTHLY FUJAIRAH FUEL OIL INVENTORIES GAIN 12% AMID HIGHER NET IMPORTS

Fujairah's fuel oil inventories averaged **12% higher** in November than in October, amid steady inflows of Russian barrels. According to cargo tracker Vortexa, Fujairah imported a total of 256,000 b/d of fuel oil from all countries in November, up from 233,000 b/d imported across October.

Russia emerged as the top fuel oil source for Fujairah between May to August. It fell to the fourth spot in September, before retaining the top spot in October and November. Russian fuel oil imports accounted for 34-38% of Fujairah's total between October and November, up from just 10% in September, Vortexa data suggests.

Average Fuel Oil Stocks in November

14.16m
bbls

Average Fuel Oil Stocks in October

12.68m
bbls

SHIPPING EU ETS ONE STEP CLOSER TO REALITY

The European Parliament's Peter Liese confirmed that a "preliminary" tripartite agreement has been reached between European institutions to include shipping in the EU Emissions Trading System (**EU ETS**). The proposed scheme will include voyages between EU ports and from EU ports to outside ports, said Liese. Non-carbon emissions like methane and nitrous oxide will also be included from 2026, which will impact LNG-fuelled vessels.



UNCTAD CALLS FOR MORE INVESTMENT IN GLOBAL MARITIME INFRASTRUCTURE

The UN Conference on Trade and Development (UNCTAD) says that much greater investments are needed to prepare ports and the global shipping fleet for the **energy transition**. In its "Review of Maritime Transport 2022", UNCTAD has called for more investments in uptake of low or zero-carbon fuels, use of on-shore electricity and retrofits of energy-saving vessel technologies to reduce emissions.

WEEKLY BRENT DEVELOPMENTS

Brent is heading for a **4% rise** on the week as China has eased Covid-19 restrictions. But gains are seen capped as market participants remain cautious ahead of the OPEC+ meeting on Sunday.

Upward pressure:

China has relaxed Covid-19 restrictions in some Guangzhou districts following a series of protests in the city. This has raised hopes for revival in Chinese demand. The market is waiting for an outcome of the OPEC+ meeting on 4 December. Some anticipate that OPEC+ will announce a rollover of the current production agreement, and will wait for final details around the price cap on Russian oil to materialise before potentially deciding to reduce output.

Downward pressure:

With the deadline approaching, the EU has yet to agree on a price cap for Russian seaborne oil. Some members of the EU have advocated for a price cap of \$30/bbl, arguing that this would be closer to Russia's production costs. Meanwhile, the US and other G7 members have been pushing for a \$65-70/bbl price cap, stating that a far-lower price cap should be approached cautiously.

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