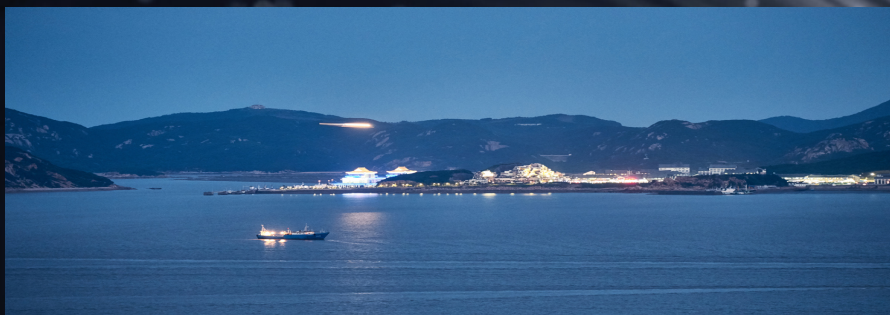


# THE MARKET THIS WEEK

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

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## CHINESE REFINERIES CUT VLSFO PRODUCTION

Chinese refineries produced **1.39 million mt of VLSFO** in December, which was just shy of the 1.40 million mt produced in November, data from market intelligence provider JLC showed. JLC said most Chinese refineries cut their VLSFO production amid lower margins in the domestic bunker and export markets. Zhoushan has been grappling with muted demand and intermittent weather disruptions since the onset of the winter season.

## STONE OIL ANNOUNCES TWO BUNKER DELIVERY VESSELS FOR HOUSTON AREA OPERATIONS

Bunker supplier **John W. Stone Oil** has deployed two bunker delivery vessels in Houston and Galveston. The *MV Pic* has a fuel storage capacity of 250,000 gallons and will be deployed off the coast of Galveston, while the *MV Annie Jeanne* has 300,000 gallons capacity and will operate in the Buffalo Bayou area. Stone Oil also operates a third bunker supply vessel off the Gulf Coast.

## EQUATORIAL MARINE FUEL BECOMES BIGGEST SINGAPORE SUPPLIER

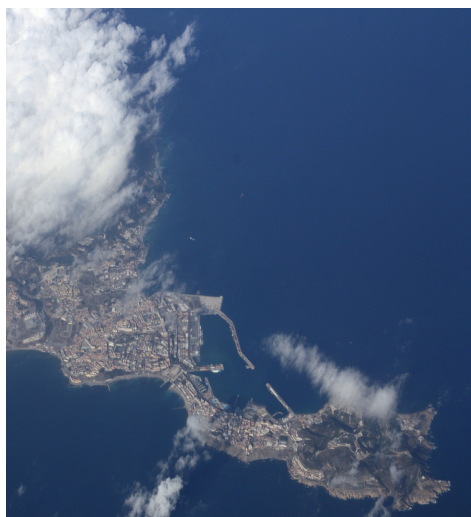
The Maritime & Port Authority of Singapore (MPA) has listed bunker supplier **Equatorial Marine Fuel Management Services** as Singapore's largest bunker supplier by volume in 2022. Equatorial pushed PetroChina to the second place to claim the top spot, while TFG Marine gained two places to complete the top three. The total volume of bunkers sold in Singapore declined by 4% on the year to a three-year low of 47.88 million mt in 2022.

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## OFFSHORE CEUTA EMERGES AS DARK STS RUSSIAN CRUDE TRANSFER HUB – VORTEXA

Four very large crude carriers (VLCCs) with a total carrying capacity of 8 million bbls of crude have been floating off Ceuta in the Mediterranean awaiting ship-to-ship (STS) transfers of **Russian Urals**, according to cargo tracker Vortexa. Three of these VLCCs were previously involved in a first round of STS activity in the North Atlantic Sea between June-July last year, Vortexa crude market analyst Armen Azizian said. He argued that as tides are usually high during this time of the year in the North Atlantic, these tankers are now congregating off Ceuta to carry out a second round of STS transfers.

Azizian thinks the North Atlantic is a suitable area to carry out dark STS transfers due to a "lack of imagery", meaning that these vessels may turn off their AIS transponders or use other means to remain undetected.

## PANAMA BUNKER SALES AT THREE-YEAR HIGHS IN 2022

Panama's HSFO sales in 2022 **grew** by a massive **27%** on the year, to reach their highest level since before the IMO's 0.50% sulphur cap came into effect. VLSFO sales declined by 2% on the year, while LSMGO sales shot up by 17%, according to preliminary figures from the Panama Maritime Authority.

HSFO sales made up 22% of the total sales in Panama, while VLSFO continued to be the most sought-after product with 66%. Total MGO sales made up the remaining 12%. 7,546 ships bunkered in Panama's ports in 2022, up from 7,029 ships in 2021. However, the average stem was 21 mt smaller, at 693 mt.

Bunker Fuel Sales in 2022

**5.23m**  
mt

Bunker Fuel Sales in 2021

**5.02m**  
mt

## BLUE AMMONIA IS HERE TO STAY - YARA

"Blue ammonia is a viable long-term solution, mainly because at the end of the day all energy sources and energy carriers must be measured based on their carbon footprint. Green ammonia is expected to require significant premiums and subsidies to be competitive short-term due to high capital expenditures (capex), current electrolyser efficiency rates and competition for renewable electricity in grid-connected locations," **Yara Clean Ammonia** president Magnus Krogh Ankarstrand said.



## OVER A THIRD OF SHIPS ORDERED IN 2022 CAN RUN ON ALTERNATIVE FUELS – CLARKSON'S

LNG dominated the order book in 2022 with 397 **dual-fuel LNG newbuilds**, followed by 43 methanol-fuelled and 17 LPG-fuelled vessels. There were 90 orders for ammonia-ready vessels, 31 for LNG-ready vessels and three for hydrogen-ready vessels, according to Clarkson's Research. It said the trend towards alternative marine fuels continues to gain momentum.

## WEEKLY BRENT DEVELOPMENTS

After a sound recovery earlier this week, front-month Brent is now heading for a more muted **2% increase**. A big US crude stock build and weak economic data was countered by forecasts of rising oil demand on the back of China's recovery.

### Upward pressure:

The International Energy Agency raised its oil demand growth forecast for 2023. It now expects demand to grow by 1.9 million b/d this year to a record 101.7 million b/d, with China contributing around half of this growth. A boost in travel during China's Spring Festival week is expected to raise its oil demand in the near-term.

### Downward pressure:

"US retail sales fell more than expected in December, while total industrial production fell 0.7%. This raised the spectre of a recession, with risk appetite suffering as a consequence," said ANZ commodity strategist Daniel Hynes. Commercial US crude stocks jumped by 8.4 million bbls to 448.01 million bbls in the week ending 13 January, Energy Information Administration data showed. The stocks have grown to their highest level since June 2021. Refinery utilisation has averaged 85% this month, down from 90-94% in November and December.

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