

THE MARKET THIS WEEK

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HAPAG-LLOYD AND MABANAFT EXPLORE AMMONIA

The German duo will conduct the necessary evaluations in the ports of Hamburg, Germany and Houston, US. Mabanaft is looking into developing **ammonia bunkering** infrastructure in the two ports. Mabanaft-backed Gulf Coast Ammonia is building a 1.3 million mt/year grey ammonia production facility in Texas, US, that is scheduled for commissioning this year. Mabanaft has agreed to offtake approximately 500,000 mt/year of the ammonia.

NIGERIA OPENS FIRST DEEP SEA PORT

Nigeria's Lekki port has will be able to accommodate container vessels with up to 15,000 TEU capacity, making it one of the largest container ports in the **West Africa** region. The port's container terminal will be operated by French container and shipping firm CMA CGM. It says the container terminal will help to further transform the port into an African transshipment hub. It is equipped with 13 quay cranes and a quay with a capacity of 2.5 million TEUs.

FERRY METHANOL STS BUNKERING IN GOTHENBURG

Stena Germanica, a methanol-powered ferry operated by Swedish ferry operator Stena Line, became the first ferry to receive **methanol** in a ship-to-ship (STS) operation in the Port of Gothenburg this week. *Stena Germanica* was converted to run on methanol back in 2015 and operates between Sweden's Gothenburg and Kiel in Germany. Canadian methanol supplier Methanex Corporation delivered the methanol. Gothenburg aims to become a renewable methanol bunkering hub in northern Europe.

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INFLOWS OF RUSSIAN CARGOES KEEP TURKISH BUNKER SUPPLY STEADY – SOURCES

The Turkish government has not imposed any sanctions on imports of Russian crude or oil products, which has benefited local refineries and several bunker suppliers, sources say. Turkey, a member of NATO but not the EU, has largely stayed away from backing EU sanctions. Most **Turkish suppliers** have continued to source large volumes of Russian fuel oil after Russia waged war on Ukraine last February, according to Vortexa cargo tracking data. Its total fuel oil imports from all countries have surged to 131,000 b/d this month, up from 53,000 b/d in December. 71% of it has come from Russia. Certain Turkish suppliers have self-sanctioned Russian oil products due to counterparty and reputational risks, a source says. These suppliers have largely been forced to buy fuel oil and gasoil grades from local Turkish refineries or from refineries in other European countries, which are typically priced higher.



FUJAIRAH’S FUEL OIL INVENTORIES DOWN 14% THIS MONTH

Fujairah’s residual fuel oil inventories have averaged **14% lower** so far this month than in December, the latest data from Fujairah Oil Industry Zone (FOIZ) and S&P Global shows. Stocks have declined amid a halving of imports, and much less coming from Russia. Iraq has become Fujairah’s biggest fuel oil import source this month, ending three months of Russia as the top source, according to cargo tracker Vortexa. Fuel oil imports from Iraq have accounted for more than a quarter of Fujairah’s total fuel oil imports.

Meanwhile, bunker availability for low sulphur fuels remains good in Fujairah. Recommended lead times for VLSFO, LSMGO and HSFO are around 3-4 days.

Average Fuel Oil Stocks in January

9.84m
bbls

Average Fuel Oil Stocks in December

11.48m
bbls

MPCC STRIKES E-FUELS DEAL WITH GERMAN PRODUCER

Norway’s MPC Container Ships (MPCC) has entered into an e-fuels offtake agreement with power-to-liquid fuels producer Ineratec. Ineratec will produce synthetic marine diesel oil (MDO) for MPCC’s small- and medium-sized container ships through combining green hydrogen with biogenic CO2. Unlike CO2 from fossil fuels, biogenic CO2 can be recycled and renewable. Last summer, MPCC ordered two dual-fuel container ships that can run on methanol that are due for delivery next year.



ALFA LAVAL LAUNCHES MARINE BIOFUEL-READY SEPARATORS

Swedish engineering firm Alfa Laval claims that it has developed the marine sector’s first **biofuel-ready separators** compatible with hydrotreated vegetable oil (HVO) and fatty acid methyl ester (FAME) biofuel blends. It says that these separators can remove glycerine, impurities and other harmful compounds from biodiesel that could affect the fuel’s quality. The separators can also remove water from the fuel.

WEEKLY BRENT DEVELOPMENTS

Front-month Brent is on track to keep **broadly steady** on the week as a lower-than-expected build in US crude stocks was countered by weak economic data from the US and China.

Downward pressure:

Business activity in the US has contracted for a seventh straight month so far in January, an S&P Global survey showed. The output decline has been among the steepest the country has seen since the global financial crisis.

Chinese GDP grew by just 3% in 2022, according to China’s National Bureau of Statistics (NBS). That was well below the government’s target of 5.5%.

Economists polled by Reuters predicted that global economic growth will barely surpass 2% in 2023, and warned that the prediction could be lowered.

Upward pressure:

Brent has found support from US Energy Information Administration (EIA) data that showed a lower-than-expected build in commercial US crude stocks. Crude stocks grew by 533,000 bbls in the week to 20 January, which was far below the American Petroleum Institute (API) earlier projection of a 3.4 million bbl-build.

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