

THE MARKET THIS WEEK

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CHINESE BUNKER SALES DROPPED BY 3% IN 2022

Chinese bunker suppliers sold about 20.08 million mt of bunkers in 2022, a **drop of 3%** on the year, data from market intelligence provider JLC showed. JLC said Chinese bunker sales were dented by a global economic slowdown, rising domestic Covid-19 cases and rising underlying crude prices following Russia's invasion of Ukraine. The Chinese refiners Sinopec and Chimbusco sold 80% of the country's total bunker fuels in 2022, JLC said.

IME EXPANDS UAE SUPPLY CAPACITY

Dubai-based bunker supplier International Marine & Energy (IME) has doubled the size of its fleet of bunker barges to expand its supply capacity in the UAE. The bunker supplier has added three bunker barges to its fleet, taking its total count to six barges, says IME's director Hamed Fathi. The barges will operate in the UAE ports of **Sharjah** and **Khorfakkan**, and carry LSMGO, VLSFO and HSFO grades.

MARATHON EXITS HOUSTON AND TEXAS CITY BUNKER MARKETS

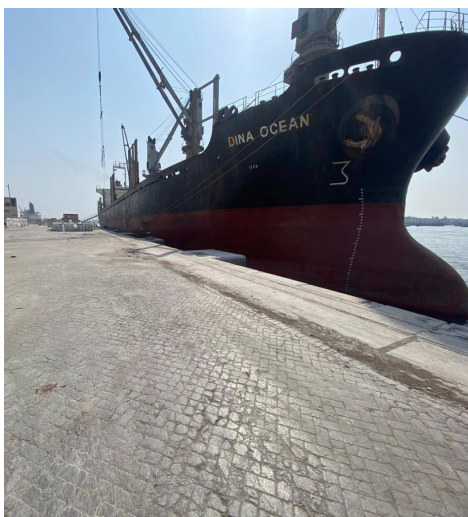
Marathon Petroleum has **stopped** offering retail bunker fuels in the US Gulf Coast ports of Houston and Texas City. The refiner says it will honor its current obligations, and that it made the call to step away from the two ports as it is "operationally short-handed at the moment." It will still supply retail bunkers in Los Angeles, Long Beach, Seattle, Port Angeles, Tacoma and Everett on the US West Coast, and at anchorage and Nikiski along the Gulf of Alaska.

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PAKISTANI BUNKER SUPPLIERS WARY AS COUNTRY FACES ECONOMIC CRISIS – SOURCES

Bunkering has so far not been impacted by Pakistan's ongoing economic crisis and dollar crunch, but suppliers are closely monitoring developments. Pakistan is grappling with **limited fuel supply**, high inflation levels, lower GDP growth and depleting foreign exchange reserves. According to local media reports, the country could face fuel supply shortages in February as banks struggle to finance and provide letter of credit for crude and petroleum product purchases due to depleting foreign exchange reserves.

Bunkers is largely sold to vessels in Pakistan's domestic market, with little uptake from international shipping. VLSFO is mostly produced at one refinery in Pakistan, while some import cargoes come from Fujairah, a source says. VLSFO and LSMGO is tight in Pakistan's Karachi port, a trader said.

FUJAIRAH'S FUEL OIL STOCKS DRAWN TO EIGHT-MONTH LOW

Fujairah's residual fuel oil inventories averaged **15% lower** in January than in December, the latest data from Fujairah Oil Industry Zone (FOIZ) and S&P Global shows. The port's fuel oil inventories have been heavily drawn since they peaked last November. Less fuel oil imports in January could be a reason for the drawdown - although its fuel oil exports have also declined sharply. Fujairah imported 121,000 b/d of fuel oil in January, down from 208,000 b/d in December, according to cargo tracker Vortexa.

Russia was still Fujairah's top import source. Russian fuel oil imports accounted for 41% of Fujairah's total in January, up from 29% in December.

Average Fuel Oil Stocks in January

9.81m
bbls

Average Fuel Oil Stocks in December

11.48m
bbls

US ANNOUNCES \$118 MILLION FUNDING TO SCALE UP BIOFUEL PRODUCTION

The US Department of Energy (DOE) recently announced \$118 million in funding for 17 projects to accelerate **biofuel production** for the country's transport sector including shipping. "Biofuels are a versatile tool because they have the immediate potential to power our ships, trains, airlines and heavy-duty vehicles - a huge contributor to total carbon emissions," US Secretary of Energy Jennifer M. Granholm said.



GERMANY, AUSTRALIA COLLABORATE ON GREEN METHANOL PRODUCTION

Australian cleantech company Vast Solar-led Solar Methanol Consortium will develop a **green methanol** demonstration plant powered by solar power in Australia's southern Port Augusta. The project, dubbed SM1, is a collaboration between Germany and Australia. SM1 will produce 7,500 mt/year of green methanol to supply the shipping and aviation sectors, Vast Solar's chief executive Craig Wood said.

WEEKLY BRENT DEVELOPMENTS

Front-month Brent is heading for a **4% fall** on the week as concerns over another interest rate hike by the US and weak Chinese data weighed on sentiments.

Downward pressure:

The US Federal Reserve raised its key interest rate by only 25 basis points this week, but Fed Chairman Jerome Powell has hinted that further hikes may be needed to curb "elevated" inflation. The Fed's willingness to "overshoot with tightening" could hurt growth over the short-term, OANDA senior market analyst Edward Moya said.

Chinese manufacturing activity contracted for a sixth straight month in January, according to an official survey by Caixin Global.

US Energy Information Administration data showed a build of 4.14 million bbls in commercial US crude stocks. This was lower than the market expected.

Upward pressure:

OPEC+'s Joint Ministerial Monitoring Committee recommended that the group should maintain its current oil output policy, which was in line with market expectations.

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