

# 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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## STRIKE IN MONTEVIDEO TO DISRUPT OPERATIONS

The seamen's union in Uruguay's **Montevideo** has called for an indefinite nationwide strike from Wednesday in protest of proposed changes to the pension system in the country. The strike is largely concentrated around the Montevideo port area, but pilot services from the Recalada pilot station off Argentina and Uruguay could also be affected as these pilots bring vessels in and out of Montevideo, Antares Ship Agents says.

## VLSFO CARGO TO BOOST AVAILABILITY IN PANAMA

Availability of VLSFO in Panama's **Balboa** and **Cristobal** has been tight, but is likely to improve with the arrival of a VLSFO cargo next week. A tanker carrying 532,000 bbls of VLSFO is scheduled to arrive at Toboguilla Island in Panama on 30 March, according to cargo tracker Vortexa. The tanker loaded the VLSFO cargo from Inter Terminals Asnaes in Denmark and is in transit to Toboguilla Island, where there are 26 bunker fuel storage tanks.

## BUNKER FUEL LOADINGS HELD BACK BY ONGOING STRIKES IN FRANCE - SOURCES

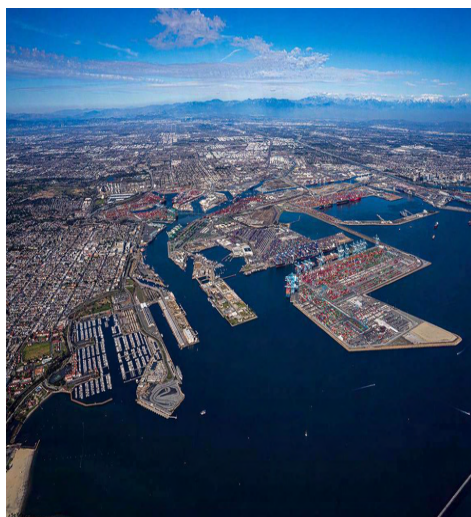
Extended strike action by refinery workers has impacted bunker fuels supply to French ports, according to sources. Supply is said to be tight in **Marseille** and **Le Havre**. In the northern French ports of Le Havre and Montoir, one supplier is unable to supply VLSFO by barge. LSMGO supply is possible but depends on how accessible the port is, the source adds. Workers in France are protesting the government's plans to reform the country's retirement system.

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## LOS ANGELES BUNKER DEMAND DROPS AMID SLOWDOWN IN CONTAINER SHIPPING

The US West Coast port of **Los Angeles** recorded the lowest container throughput in February since March 2020, when trans-Pacific trade was curbed by Covid-19 lockdowns. The port recorded a container throughput of 488,000 TEUs in February, down from 858,000 TEUs a year earlier, according to Los Angeles port data. The 43% drop suggests that fewer container ships arrived in Los Angeles, and by extension that it saw lower bunker demand. Container ships are among the biggest bunker fuel-consuming vessel types. The Port of **Long Beach** also reported a drop in container throughput last month. Its volume declined to 544,000 TEUs on the month, from 797,000 TEUs in February last year. Availability of all fuel grades is better than normal in the West Coast ports amid weak demand. Suppliers can offer deliveries with lead times of around 3-4 days, which is shorter than the usual 10-12 days.

## FUJAIRAH BUNKER SALES AT TWO-YEAR LOWS IN FEBRUARY

Fujairah's total bunker sales in February plunged to their **lowest level** since January 2021, according to data compiled by Fujairah Oil Industry Zone (FOIZ) and S&P Global Commodity Insights. Sales of the most sought-after product - VLSFO - declined by a massive 14% and were at their lowest since January 2021. An average of 13,800 mt/day of VLSFO was sold in February, which was almost 700 mt/day less than in January. VLSFO sales peaked last August and have since declined. LSMGO sales fell to their lowest level since March 2021.

HSFO sales bucked the trend and grew by 6% on the month. About 5,700 mt/day of HSFO was sold in February, up from 4,800 mt/day in January.

Total Bunker Sales in February

**564,000**  
mt

Total Bunker Sales in January

**626,000**  
mt

## FUELEU MARITIME BREAKTHROUGH

The European Parliament and Council have reached a provisional agreement on greenhouse gas (GHG) emission targets under the FuelEU Maritime regulation for shipping. Ships above 5,000 gross tonnes will have to cut the **GHG intensity** of the energy used onboard by 2% by 2025, 14.5% by 2035 and 80% by 2050, compared to 2020 levels. Ships also have to use at least 2% of renewable fuels of non-biological origin (RFNBOs) by 2034. These are typically green hydrogen-based fuels, rather than biofuels.



## COMPANIES EXPLORE AFRICA-EUROPE GREEN CORRIDOR

A consortium of companies and organisations spanning the maritime, mining, steel and energy sectors is looking into developing a **green corridor** for zero-emission shipping of iron ore between South Africa and Europe, the Global Maritime Forum (GMF) says. This is the first green corridor initiative from an African country. It will look at bunkering, availability of green fuel and supply offtake agreements in South Africa.

## WEEKLY BRENT DEVELOPMENTS

Front-month Brent is on track for a **5% rise** on the week. The benchmark has recovered from 15-month lows amid waning concerns about the bank failures in Europe and the US and renewed confidence in riskier commodities.

### Upward pressure:

Investors are gradually returning to interest rate-sensitive commodity futures like Brent. "Commodity traders, including Citadel and Trafigura, believe the recent banking sector turmoil is likely to be limited in duration with only minimal damage to the wider economy," ANZ commodity strategist Daniel Hynes said. Russia has extended its voluntary output cut of 500,000 b/d through to June, "in accordance with the current market situation," Russian state news agency TASS reported, citing Russia's Deputy Prime Minister Alexander Novak.

### Downward pressure:

During the Fed policy meeting, economic risks from the recent banking turmoil were flagged. This has reignited fears of a potential global financial crisis and recession, which would also hurt oil demand. J.P. Morgan analysts forecast that the US economy will enter a recession this year because of higher interest rates.

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