

THE MARKET THIS WEEK

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ROTTERDAM REFINERY MAINTENANCE COULD CURB FUEL SUPPLY

Supply of **LSMGO** is expected to tighten in the ARA this month as Shell's Shell Energy and Chemicals Park Rotterdam refinery will go into a partial maintenance. One of the refinery's crude distillation units of 200,000 b/d will go offline between 10 March and 19 April, according to Wood Mackenzie. The refinery has a total nameplate capacity of around 400,000 b/d.

MPA TO RELEASE UPDATED BIOFUELS STANDARD

The Maritime Port Authority of Singapore (MPA) plans to update its provisional **biofuel** quality standard to cover biofuels blended in higher ratios. The MPA released its provisional standards for biofuel blends of up to B50 (up to 50% biofuel blended with 50% conventional marine fuel). The port authority will gradually be updating its biofuel standards to cover all higher-ratio biofuel blends once a series of trials runs have been completed by 2025.

GASUM EYES LNG, LBM BUNKERING IN THE ARA

Gas supplier Gasum is planning an entry into the ARA bunker market and has now been listed in the Dutch trade register, which would allow it to explore liquefied natural gas (**LNG**) and liquefied biogas (**LBG**) supply. Gasum's vice president of maritime Jacob Granqvist argues that northwest Europe offers a "huge emerging market" for LNG bunker fuel and that Gasum is well positioned to claim a significant share of it. The company is working to increase availability of LBG and bio-LNG in the region.

INDIAN PORT NO LONGER CHARGES SHIPS WITH OPEN LOOP SCRUBBERS

Ships with open loop **scrubbers** calling at the Indian east coast port of Dhamra no longer have to pay a small fee of \$270, according to GAC Hot Port News. Dhamra is operated by India's private port operator Adani Group. The decision to revoke charges comes after India's Directorate General of Shipping (DGS) issued a circular on scrubber rules last month. The DGS was forced to issue the circular after it found out that some Indian ports were denying entry or berthing to ships burning HSFO with scrubbers fitted. These ships were forced to switch to low-sulphur fuels such as LSMGO before entering or berthing in the port. These additional requirement by port authorities contradicted the IMO's regulations, DGS reasoned. The IMO allows vessels to use scrubbers to bring their sulphur emission levels down to a maximum of 0.50% while burning HSFO.

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FUJAIRAH'S FUEL OIL STOCKS BOUNCE BACK ON HIGHER NET IMPORTS

Fujairah's residual fuel oil inventories have rebounded to average **9% higher** in the first week of March than across February, the latest data from Fujairah Oil Industry Zone (FOIZ) and S&P Global shows. Fujairah has imported 265,000 b/d of fuel oil so far this month, significantly up from 208,000 b/d in February, according to cargo tracker Vortexa. Meanwhile, the UAE port's fuel oil exports have halved from 188,000 b/d in February, to about 94,000 b/d so far this month. This has tilted the port's trade balance further into a net import surplus this month and contributed to boost stocks. Bunker availability remains under pressure for all grades in Fujairah, while demand has been weak, a source says.

Average Fuel Oil Stocks in March

11.51m
bbls

Average Fuel Oil Stocks in February

10.55m
bbls

STANLOW TERMINALS TO BUILD AMMONIA TERMINAL IN LIVERPOOL

The terminal will have capacity to import and store more than 1 million mt/year of **green ammonia** and is scheduled become operational in 2027. It will be able to receive ships with deep drafts and feature cryogenic ammonia storage. It will also have ammonia cracking facilities for conversion back to hydrogen and distribution networks for ammonia and hydrogen, according to the project blueprint of Essar Energy-owned Stanlow Terminals.



CEPSA TO BUILD BIOFUEL PLANT IN HUELVA

Spanish energy firm Cepsa plans to build a **biofuel** plant in Palos de la Frontera in Spain's Huelva. The biofuels will be produced using organic wastes such as used cooking oil or agricultural waste. Cepsa aims to produce 2.5 million mt/year of biofuel at the plant from 2030 to supply industries such as shipping and aviation. It claims that its biofuels can reduce carbon-dioxide emissions by up to 90% compared to conventional fuels.

WEEKLY BRENT DEVELOPMENTS

Front-month Brent is heading for a **5% fall** on the week as growing concerns over aggressive interest rate hike by the US Federal Reserve (Fed) overshadowed a huge draw in US crude stocks. The futures contract is trading at two-week lows.

Downward pressure:

Fed Chairman Jerome Powell said the central bank was "prepared to increase the pace of [interest] rate hikes" if necessary. European Central Bank President Christine Lagarde has also warned of another 50-basis point hike in the central bank's key interest rate in an interview with the Spanish TV channel Antena 3.

Upward pressure:

Commercial US crude oil stocks declined by 1.7 million bbls in the week to 3 March, according to Energy Information Administration's (EIA) data. Crude inventories were eventually drawn after almost 10 straight weeks of stock builds. The EIA has raised its oil demand forecast for 2023. It now expects global liquid fuel consumption to average 100.9 million b/d this year. That is a 400,000 b/d upward revision from its February projection.

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