

# THE MARKET THIS WEEK

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## LNG BUNKER SALES BOUNCE BACK IN ROTTERDAM

Rotterdam's **LNG bunker sales** touched 86,000 cbm in the first quarter of this year, up from 59,000 cbm sold in the previous quarter. Declining LNG prices have again made LNG more attractive to burn on vessels with dual-fuel engines. The expansion of Europe's LNG import capacity has helped gas supply, which has driven prices lower, Dutch LNG bunker supplier Titan said in April. Rotterdam did not record any methanol bunker sales in the quarter.

## FRATELLI COSULICH DELIVERS BIOFUEL IN GENOA

Global bunker supplier Fratelli Cosulich claims it delivered Italy's first **bio-VLSFO stem** when it supplied a container ship operated by Hapag-Lloyd in Genoa. The bio-VLSFO stem was supplied in February and was a blend of 10% biofuel and 90% VLSFO. It was ISCC-certified and sourced from Italian oil refiner IPLOM, Fratelli Cosulich said, adding that blends like these can enable a ship to reduce its well-to-wake greenhouse gas (GHG) emissions by 10% and lower the cost of complying with the EU Emissions Trading System (EU ETS).

## OSLO GOES FOR SHORE POWER

Norwegian shore power supplier Zinus will partner with Danish engineering company PowerCon to provide **shore power** to cruise ships in Norway's capital city Port of Oslo. This comes after the port announced that Yilport Oslo is developing a shore power facility that will allow container ships to connect by 2024. It also warned that operators with vessels not connected to shore power will face higher port fees once the infrastructure is fully in place by 2025. The Port of Oslo aims to reduce 85% of its emissions by 2030.

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## SINGAPORE UNLIKELY TO START AMMONIA BUNKERING THIS YEAR - MPA

The Maritime and Port Authority of Singapore (MPA) has pushed back against comments from the Global Centre for Maritime Decarbonisation (GCMD) and says Singapore's first **ammonia bunker trials** are unlikely to happen this year. GCMD and classification society DNV had earlier concluded that the risks involved in conducting ammonia pilot projects in the Port of Singapore were low or mitigable. They aimed for the first ship-to-ship transfers of ammonia to take place at three sites by the end of the year. However, the MPA said that more studies are needed for these trials. "Pilots and trials involving the bunkering of new low and zero-emission fuels require comprehensive preparations, including the development of new safety procedures and draft bunkering standards thorough end-to-end operational and other risk assessments, safety audits of bunkering and receiving vessels," the MPA said.

**ROTTERDAM BUNKER SALES DOWN 5% IN Q1**

Rotterdam's total conventional bunker fuel sales fell by 138,000 mt between the fourth quarter of 2022 and first quarter of this year.

Total sales of **marine distillates**, which include marine gasoil and marine diesel oil, dropped by 2% to 468,000 mt in the first quarter of this year.

Total sales of **marine fuel oil**, which includes VLSFO, HSFO and ULSFO, declined by a steeper 6% to 2.02 million mt.

Around 984,000 mt of VLSFO was sold in the first quarter this year, down from the previous quarter's 1.02 million mt.

HSFO sales slipped by 4%.

Sales of **biofuel blends** slumped by a massive 45% to 149,000 mt – the lowest sales since the fourth quarter of 2021.

Total Bunker Sales in Q1 2023

**2.48m**  
mt

Total Bunker Sales in Q4 2022

**2.62m**  
mt

**ENERGY EFFICIENCY MEASURES HELP IMPROVE CII RATINGS**

A vessel's carbon intensity indicator (**CII**) **rating** can be enhanced through energy-saving measures, according to the IMO. A case in point is South Korean shipping firm Hyundai Merchant Marine (HMM), which cut its fleet's CO2 intensity by 24% between 2019-2021. HMM reported a 58% reduction in the CO2 emissions generated by transporting one TEU container for 1 kilometre - from 68.7 g in 2010 to 29.05 g in 2021 - by applying various methods to reduce energy consumption.



**NINE METHANOL-FUELLED SHIPS ORDERED IN APRIL**

Classification society DNV's latest tally shows there are 115 confirmed **methanol-fuelled** vessels in operation and on order, up from 106 in March. April's upbeat order activity follows a dull March, when shipowners did not make any orders. Just 26 methanol-fuelled ships are in operation at present, with a few more expected to hit the seas this year, according to DNV. The majority of these newbuild orders are for container ships.

**WEEKLY BRENT DEVELOPMENTS**

Front-month Brent is heading for a huge **10% fall** on the week amid mounting fears of a recession in the US, and as the US Federal Reserve [Fed] raised interest rates by 25 basis points.

**Downward pressure:**

US policymakers are worried about the nation's muted economic activity, says OANDA's senior market analyst Ed Moya. "If the Fed is worried, that is bad news for the economy and the crude demand outlook." Data from the US Bureau of Labor Statistics showed that there were 9.6 million job openings in March, down from 9.9 million in February. This indicates that businesses are less confident about near-term growth prospects.

**Upward pressure:**

Meanwhile, some analysts believe that OPEC+ could intervene again to put a floor under Brent with more supply cuts. ING's Warren Peterson sees \$70/bbl as a firm a support level for the key crude futures. "...breaking below \$70/bbl would be a concern for OPEC+, and so talk of additional cuts would likely grow if we trade down towards this level," he said.

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