

THE MARKET THIS WEEK

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TGF MARINE EXPANDS PHYSICAL SUPPLY ON THE US GULF COAST

Global bunker supplier TGF Marine will now supply **HSFO**, **VLSFO** and **LSMGO** at the berth areas of ports of Corpus Christi, Ingleside and Point Comfort in Texas, US. The company already supplies bunkers at US Gulf Coast offshore areas from at least four bunker barges. TGF Marine said it can deliver stem sizes of up to 3,000 mt in the berth areas.

O BUNKERING GOES PHYSICAL IN DUQM

The Muscat-based bunker fuel trader will supply **LSMGO** and **gasoline** to fishing boats and trawlers in the Omani port. It has inked an agreement with Al Duqm Investments (MARSA), a subsidiary of the state-run Fisheries Development Oman (FDO), to build and supply fuels from a bunker station in Duqm fishing port. Construction should be completed in six months, an O Bunkering representative said. LSMGO and gasoline will be delivered through trucks, and it has plans to supply **VLSFO** in the future.

TOYOTA TSUSHO STARTS BIOFUEL SUPPLY IN JAPAN

Japanese group Toyota Tsusho will supply **biofuel** to vessels operated by Toyofuji Shipping in the Port of Nagoya. The move follows trials and studies conducted in the Japanese port. Those tests included biofuel deliveries through ship-to-ship (STS) transfers. The biofuel is based on used cooking oil blended with heavy fuel oil, according to Toyota Tsusho. The company intends to scale up biofuel supplies in Nagoya and conduct similar trials in other Japanese ports.

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INDIAN AND SAUDI GASOIL IMPORTS HELP ARA TO FILL RUSSIAN DEFICIT

Since the EU ban on refined Russian oil products began on 5 February, the ARA has stepped up **gasoil imports** from countries such as India and Saudi Arabia. Russia was by far the ARA's biggest gasoil and diesel import source prior to the EU sanctions. Between last October and January – a month before the sanctions kicked in - gasoil and diesel imports from Russia accounted for between 21-45% of the ARA's total, according to cargo tracker Vortexa. From February onwards, ARA importers increased their gasoil imports from Middle Eastern and Asian countries such as Saudi Arabia, the UAE and India. The region has imported 627,000 b/d of gasoil and diesel this month, up from an average of 494,000 b/d imported in April. The majority of imports have arrived from Saudi Arabia (21%), India (20%), the UAE (11%), Qatar (9%) and Italy (7%) this month.

KUWAIT BECOMES KEY FUJAIRAH FUEL OIL SOURCE

Fujairah's heavy distillate and residual fuel oil inventories have averaged **7% higher** so far this month than in April, Fujairah Oil Industry Zone (FOIZ) and S&P Global data shows. The port's residual fuel oil inventories have grown for a second consecutive month, but are still lower than their peak in February.

According to cargo tracker Vortexa, Fujairah has imported 188,000 b/d of fuel oil so far this month, down from the 259,000 b/d it imported across April. Kuwait has overtaken Russia to become Fujairah's biggest import source this month, with 47% of its total, up from 14% in April. The resumption of state-owned Kuwait Petroleum Corporation's (KPC) al-Zour refinery operations has likely contributed to boost Kuwait's exports.

Average Fuel Oil Stocks in May

10.89m
bbls

Average Fuel Oil Stocks in April

10.19m
bbls

GIDARA GETS APPROVAL FOR BIO-METHANOL PLANT IN AMSTERDAM

Dutch waste-to-syngas conversion firm Gidara Energy has been permitted by North Holland to build a **methanol production plant** in the Port of Amsterdam. The facility will be able to produce around 90,000 mt/year of bio-methanol, using around 360,000 mt/year of household waste as a feedstock to produce syngas, a mix of carbon monoxide and hydrogen that can be used to make methanol. The facility is due to start operations later this year.



ABS AND KSOE TO EXPLORE GREEN HYDROGEN PLANT

The American Bureau of Shipping (ABS) is partnering with industry stakeholders to explore the feasibility of building a floating **green hydrogen** production plant off the coast of South Korea's Jeolla. The production plant will use offshore wind power to make green hydrogen, according to classification society ABS. The floating platform will subsequently liquefy green hydrogen onboard for easier transportation.

WEEKLY BRENT DEVELOPMENTS

Front-month Brent is on track to record **broadly the same** levels as its settlement last week amid a supply-demand tug-of-war.

Upward pressure:

The US Energy Information Administration (EIA) has maintained its global liquid fuel demand forecast for 2023. In its latest monthly report, the watchdog predicts global consumption will still reach 100.9 million b/d this year and 102.7 million b/d in 2024, led by China and India.

A number of major Canadian oil and gas producers have halted operations as safety precautions following raging wildfires in the west of the country. This has shut off over 200,000 b/d of oil equivalent from the market.

Downward pressure:

The EIA has dramatically reduced its Brent spot price forecast for 2023, by 7.5% from its April outlook, to average \$79/bbl this year. It anticipates "consistent global oil inventory builds" starting from the second quarter of 2024. This, it believes, will outpace global crude demand. Commercial US oil inventories gained by 2.95 million bbls on the week, to 462.58 million bbls on 5 May, EIA data shows.

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