

THE MARKET THIS WEEK

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TFG MARINE STARTS OFFERING HSFO IN TRINIDAD AND TOBAGO

Global bunker supplier TFG Marine has started **HSFO** supply at its Trinidad and Tobago offshore operations. The company has added the grade to the range of products it already supplies in the region, namely **VLSFO** and **LSMGO**. TFG Marine claims it will be “a first for the region.” Last month, it expanded its HSFO, VLSFO and LSMGO supply on the US Gulf Coast.

NEW BUNKERING FACILITY COMING IN YANBU

The Saudi Ports Authority (Mawani) has inked a deal to set up an integrated bunkering station at the **King Fahad Industrial Port** in **Yanbu**. The port authority has partnered with the Saudi Ministry of Energy and has signed a deal with UK-conglomerate Trafalgar and Dubai-based petroleum company Alba Nova. The bunkering station will have tanks for storing, trading and blending petroleum products. The project will be developed in two phases. A total of 144 storage units will be built in both stages of construction.

TIGHT SUPPLY PUSHES ROTTERDAM'S HSFO PRICE TO GLOBAL PREMIUMS

Tight supply of **HSFO** in the **ARA** has pushed Rotterdam's benchmark higher in recent weeks. The grade's price has shot up by around \$60/mt since 1 June, and flipped to rare premiums over Gibraltar, Singapore and Fujairah. Multiple factors have contributed to the recent HSFO tightness in the ARA, according to sources. A lack of access to banned Russian fuel oil imports, and crude oil to feed refineries, has rendered the ARA less resilient to supply shocks.

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EUROPE'S CRUISE SHIPS EMIT AS MUCH TOXIC SULPHUR AS 1 BILLION CARS - STUDY

Italy, Spain Greece and Norway are Europe's cruise ship pollution hotspots, a recent study conducted by Transport & Environment (T&E) has shown. The study has highlighted the alarming levels of air pollution caused by cruise ships in **Europe's port cities** and found that emissions have exceeded pre-pandemic levels. “Despite the introduction of the UN shipping body's sulphur cap in 2020, last year Europe's 218 cruise ships emitted as many sulphur oxides as 1 billion cars,” says T&E. It adds that the total number of cruise ships, their time spent around ports in Europe and the amount of fuel consumed, all rose by about 23-24% when compared to 2019 levels. This led to an increase in sulphur oxide, nitrogen oxide emissions. The study has identified Barcelona as Europe's most polluted port, followed by Civitavecchia near Rome and the port of Piraeus in Athens.

PANAMA BUNKER SALES UP IN MAY AS HSFO DEMAND HIT ONE-YEAR HIGH

A bump in demand for HSFO lifted Panama's overall bunker sales in May and put pressure on supply capacity. HSFO sales jumped 45% in May to a five-month high and were at their highest level since June 2022. VLSFO sales declined by 3% on the month, while LSMGO sales were up by 6%. Two barges were taken out of operation in Panama, bringing the total to barge count 31 in May. While the number of ships bunkering in Panama's ports decreased by 18 from April to 576 in May, the average stem size was roughly 40 mt bigger at 710 mt in May, according to preliminary figures from the Panama Maritime Authority. Meanwhile, total bunker sales for the first five months of the year were 3% lower compared to the same period last year.

Total Bunker Fuel Sales in May

406,000
mt

Total Bunker Fuel Sales in April

384,000
mt

MAERSK TO RETROFIT VESSEL WITH DUAL-FUEL METHANOL ENGINE

Danish shipping major A.P. Moller – Maersk has revealed plans to retrofit one of its existing vessels with a dual-fuel engine that will enable it to sail on **green methanol**. The vessel will be converted and equipped with a dual-fuel engine from German engine maker MAN Energy Solutions, which can run on methanol or conventional marine fuels. The company expects to introduce the first retrofitted vessel next year, and possibly other sister vessels in 2027.



MORE SUPPORT FOR CARBON TAX AHEAD OF MEPC 80

IMO members and maritime actors are pushing for a **carbon tax** to expedite shipping decarbonisation. According to the World Bank, carbon pricing or carbon levies are economic instruments that can be used to reduce greenhouse gas (GHG) emissions by putting a monetary price on CO2 or other GHG emissions. Officials in the US and EU have endorsed carbon levies as one of the measures that will reduce emissions from shipping.

WEEKLY BRENT DEVELOPMENTS

Front-month Brent is heading for a **3% drop** on the week as tentative optimism about Chinese crude demand was countered by hawkish comments from the US Federal Reserve's chair Jerome Powell.

Downward pressure:

Powell has indicated that further interest rate hikes are on the table to tame the country's stubborn inflation. Powell said that the central bank's primary goal is to bring inflationary pressure under control and that two additional 25-basis point rate hikes this year is "a pretty good guess." Higher interest rate will increase borrowing costs and potentially weaken purchasing power and oil demand.

Upward pressure:

The People's Bank of China has cut its benchmark lending rates for the first time in 10 months to boost economic growth. "China's economic rebound is still the focus of oil traders. More stimulus measures by the Chinese government could improve the oil demand outlook," said Tina Teng, markets analyst at CMC. Brent has also drawn some support from the OPEC+ production cuts that have come into effect since May, and Saudi Arabia's announced 1 million b/d cut from July.

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