

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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PETROBRAS EXPANDS LSMGO TO PARANAGUÁ

Brazilian oil and gas major Petrobras started supplying **LSMGO** in the Brazilian port of Paranaguá from Thursday this week. This follows LSMGO roll-outs in the other Brazilian ports of Rio Grande, Rio de Janeiro and Santos in March and April. It sources LSMGO from the Presidente Bernardes refinery (RPBC) in Cubatão, São Paulo. The company has previously supplied VLSFO and 0.50% MGO grades in Paranaguá using at least five bunker barges.

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MINERVA COMPLETES FIRST BUNKER SUPPLY OPERATIONS IN EGYPT

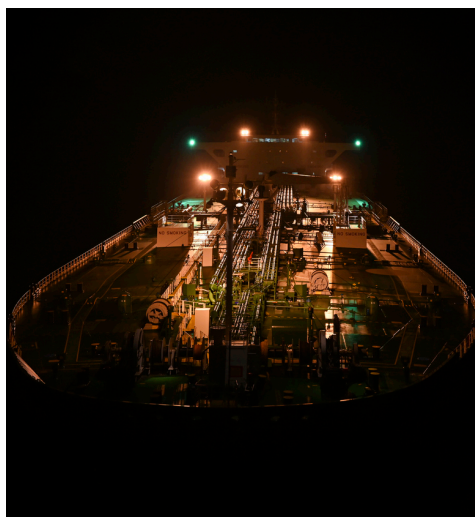
Bunker supplier Minerva Bunkering has delivered its first **10 stems** across Egypt and the Suez Canal. The deliveries were carried out after Egyptian authorities granted Minerva a bunker license earlier this month. It supplied bunkers to Hafnia's *MV Hafnia Azurite* and Cargill Ocean Transportation's *MV Gat Feeling*. Minerva will source HSFO, VLSFO and MGO for supply in Egypt from its network in the Mediterranean region and the Red Sea.

PORTS OF STOCKHOLM EYES CCS INFRASTRUCTURE

Ports of Stockholm will explore the feasibility of setting up a carbon capture and storage unit at its **Norvik Harbour**. Carbon Capture and Storage (CCS) has been gaining attention lately as several shipping firms are looking to rein in their carbon dioxide emissions. The port will examine the risks and regulations associated with the handling, storage and transport of captured carbon. The project has received funding from the Swedish government's energy unit Swedish Energy Agency and is likely to be completed this year.

NEW HUBS FOR RUSSIAN URALS STS TRANSFERS DISCOVERED – VORTEXA

Several ship-to-ship (STS) transfers of **Russian Urals** crude were recently recorded off the Canary Islands in Spain and Cape Verde in the Atlantic Ocean, according to cargo tracker Vortexa. Around 44% of total Russian Urals STS transfers between 1-25 May were carried out in the Atlantic Ocean region, Vortexa says. The cargo tracker has identified three locations in the region where these STS were carried out this month – off the Canary Islands and Cape Verde in certain open sea areas in the North Atlantic. Four STS transfers were performed off the Canary Islands and one near Cape Verde. The North Atlantic is a suitable area to carry out dark STS transfers due to a "lack of imagery", meaning that these vessels may turn off their AIS transponders or use other means to remain undetected, Vortexa crude market analyst Armen Azizian said in January.



FUJAIRAH FUEL OIL STOCKS RISE DESPITE EXPORTS

Fujairah's fuel oil inventories averaged **15% higher** in May than in April, Fujairah Oil Industry Zone (FOIZ) and S&P Global data shows. Around 238,000 b/d of fuel oil was imported to Fujairah in May, down from 259,000 b/d in April, according to cargo tracker Vortexa. Almost one third of Fujairah's imports came from Iran in May, followed by Kuwait and Russia. While imports fell, Fujairah's fuel oil exports rose by a significant 102,000 b/d to 329,000 b/d in May. This tilted its trade balance into a net export surplus. All bunker fuel grades are in tight availability for prompt dates in Fujairah, where demand has been strong lately, a source says. Lead times of 5-7 days are recommended for the three main fuel grades in the port. Some suppliers can offer prompter delivery dates, depending on stem sizes.

Average Fuel Oil Stocks in May

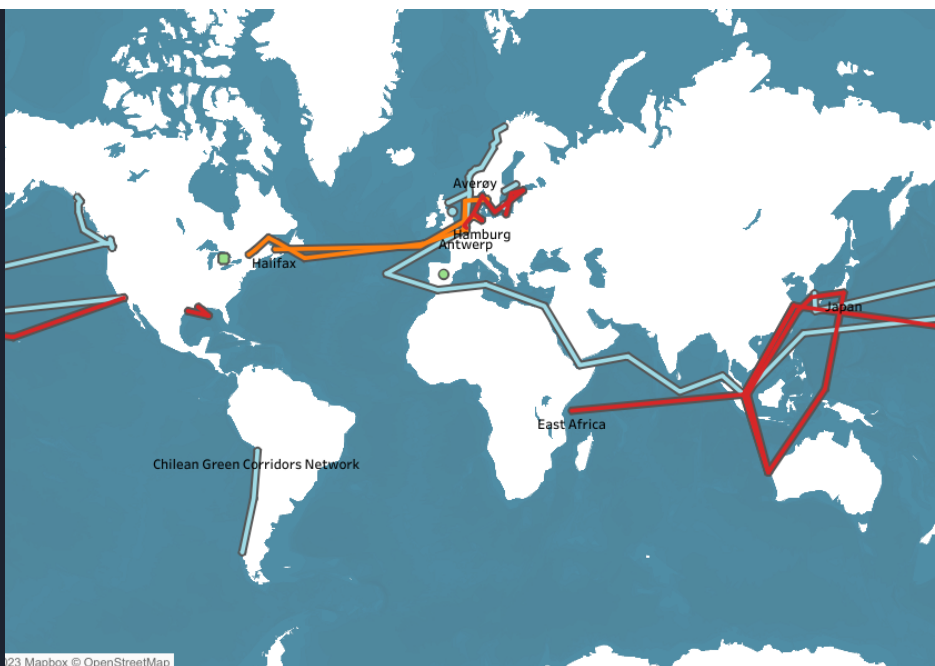
11.68m
bbls

Average Fuel Oil Stocks in April

10.19m
bbls

MAJOR PORTS SUPPORT ALTERNATIVE FUELS

The World Ports Climate Action Program (WPCAP) will focus on facilitating bunkering and adoption of **low- and zero-emission fuels**. The WPCAP consortium is led by Rotterdam and made up of 11 other major ports across the world. The ports' aim is to build out bunker infrastructure for alternative fuels and send supply signals to incentivise shipowners to deploy more low- and zero-carbon vessels along green corridors between Los Angeles, Vancouver, Singapore, Shanghai, Rotterdam and other ports.



NORWEGIAN STARTUP TO DEBUT ONBOARD AMMONIA CRACKING

Technology company Pherousa Green Technologies (PGT) will launch an onboard **ammonia-to-hydrogen cracking** system on ammonia-fuelled dry bulk carriers. PGT has developed a technology that uses ammonia to generate hydrogen onboard vessels. The system converts liquid ammonia stored onboard into hydrogen by breaking it down into nitrogen and hydrogen molecules, through a process called "ammonia cracking".

WEEKLY BRENT DEVELOPMENTS

Front-month Brent is on track to **fall by 3%** on the week as optimism about US oil demand was countered by concerns over slow economic activity in China. Brent investors will wait for fresh cues from the upcoming OPEC+ meeting on 4 June.

Downward pressure:

Demand indications from the world's largest oil importer China continue to be mixed after it released weaker-than-expected manufacturing and services data for May, provoking the market to worry about a lag in demand. China's official manufacturing purchasing managers' index (PMI) dropped to 48.8 this month, down from 49.2 in April.

US crude oil inventories grew by about 5.2 million bbls last week, according to an estimate from the American Petroleum Institute (API).

Upward pressure:

Brent drew some support from tentative optimism over future US oil demand. A contested bill has passed a vote in the US House of Representatives to suspend the country's \$31.4 trillion debt ceiling. If this is expedited into law it could save the US from defaulting on its growing debt and steer clear of an economic meltdown.

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