

A summary of the most important developments in the bunker market this week, at your fingertips every Friday

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MEPC 80: UN BOSS URGED IMMEDIATE CLIMATE ACTION FROM SHIPPING REGULATORS

UN secretary general António Guterres said decisions made at the **IMO** this week can help save us from **climate catastrophe**. Shipping accounts for about 3% of the world's total emissions, Guterres pointed out. "Science tells us that it is still possible to limit the global temperature rise to 1.5°C. But it requires an immense and immediate global effort," Guterres said.

MABANAFT TO EXPLORE BIOFUELS IN COPENHAGEN

German energy company Mabanaft has obtained complete ownership of a fuel terminal in **Copenhagen** from tank terminal provider Oiltanking. Besides offering conventional fuel grades from the terminal, Mabanaft will now explore **biofuels** in Copenhagen. However, the company has not specified which types of biofuels it will explore. Located at Prøvestenen Island in Copenhagen, the terminal has a storage capacity of 462,000 cbm.

MONJASA TO OPERATE THREE BUNKER TANKERS IN SINGAPORE

Global **bunker supplier** Monjasa has partnered with a local bunker vessel operator to offer deliveries to its customers, a Monjasa spokesperson said. It is unclear whether the company will apply for a physical bunker license with the Maritime and Port Authority of Singapore (MPA). Currently, Monjasa operates one bunker tanker in Singapore, with another two joining the fleet later this year. It also considers supplying **biofuels** in Singapore.

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LA AND NAGOYA TO DEVELOP GREEN CORRIDOR

The US West Coast **Port of Los Angeles** and Japan's **Nagoya** have signed a fresh agreement on top of their 2020 deal to expand collaboration on sustainability and operational efficiency initiatives. The initiatives include setting up a **green shipping corridor** between the two ports to reduce greenhouse gas emissions from cargo shipping. Under the new agreement, the ports will also develop and test zero-emission vehicles and equipment to help conduct more environmentally friendly terminal operations.

Japanese supplier Toyota Tsusho recently launched biofuel bunkering in Nagoya, supplying vessels operated by Toyofuji Shipping. It intends to scale up in Nagoya and conduct similar trials in other Japanese ports. Biofuels are also available for bunkering in Los Angeles, which has been developing two green shipping corridors with Shanghai, and with Long Beach and Singapore.

FUJAIRAH'S FUEL OIL STOCKS DECLINED 11% IN JUNE

Fujairah's fuel oil inventories averaged **11% lower** in June than in May, Fujairah Oil Industry Zone (FOIZ) and S&P Global data shows. Fujairah imported 217,000 b/d of fuel oil in June, down by 84,000 b/d from May, according to cargo tracker Vortexa. In the same time frame, the port's fuel oil exports increased by 77,000 b/d to 294,000 b/d. This has tilted its trade balance into net exports and contributed to draw stocks. The bulk of Fujairah's fuel oil imports came from Iran (29%) in June, followed by Iraq (27%) and Russia (17%). Availability of all bunker fuel grades remains tight in Fujairah amid good demand. Recommended lead times remain unchanged from last week at 5-7 days in the port. But some suppliers can offer all bunker fuel grades for prompt delivery dates depending on stem sizes, a source said.

Average Fuel Oil Stocks in June

10.35m
bbls

Average Fuel Oil Stocks in May

11.68m
bbls

MEPC 80: CONSENSUS GROWS FOR NET ZERO BY 2050 AT IMO – SASHA

As MEPC 80 is drawing to a close, the final text of the IMO's revised greenhouse gas emissions (GHG) target includes a net zero emission target "**close to 2050**", Aoife O'Leary of Skies and Seas Hydrogen-fuels Accelerator (SASHA) Coalition told ENGINE. O'Leary says that the final text is leaning towards a net zero emission target close to 2050, "But the important thing is that 2050 is in there." The IMO is expected to adopt a revised GHG strategy later on Friday.



MEPC 80: DRAFT GHG TARGETS FALL SHORT

The proposed GHG reduction target for 2030 will **fall short** of aligning shipping with the **Paris Agreement**, John Maggs of Clean Shipping Coalition (CSC) told ENGINE. The IMO's GHG working group came up with a draft proposal of a 20% cut in GHG emissions by 2030. Maggs said that a target that low will make it impossible to align shipping with the climate goals set in the Paris Agreement in 2015 to limit the global temperature rise to 1.5°C above pre-industrial levels.

WEEKLY BRENT DEVELOPMENTS

Front-month Brent is heading for a **2% rise** on the week as fresh OPEC+ output cut announcements took central stage.

Upward pressure:

Brent gained some upward momentum after Saudi Arabia announced an extension of its voluntary production cut of 1 million b/d by another month to include August. OPEC's allies Russia and Algeria also pledged new voluntary output cuts for August. Both countries will now lower output and export levels in August by another 500,000 b/d and 20,000 b/d, respectively. "Oil is predictably finding price support due to voluntary supply cuts from Saudi Arabia and Russia," said SPI Asset Management's managing partner Stephen Innes.

Downward pressure:

The prospect of further interest rate hikes by major central banks have kept a lid on Brent levels in recent days. The US Federal Reserve's (Fed) chairman Jerome Powell has warned that two additional rate hikes are likely this year. Minutes from the Fed's 13-14 June meeting also indicated further rate hikes. Higher interest rates could slow down demand growth, especially for commodities like crude oil.

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