

Weekly Market News

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READ
REPORT



Cepsa to offer biofuel blends in more Spanish ports

After committing to supply 100 mt of biofuel to power ferry voyages across the Gibraltar Strait, Cepsa Marine Fuels is now planning to supply more **biofuel blends** in Barcelona and other Spanish ports, a company spokesperson told ENGINE. The company already supplies blends of up to 24% biofuel (B24) for bunkering by tanker and barge in Algeciras and Huelva, and will expand its biofuel deliveries to other ports in Spain by trucks, the spokesperson said. It offers second-generation biofuels, which means they are waste- and not crop-based. The biofuels come in two categories: fatty acid methyl ester (FAME) and hydrotreated vegetable oil (HVO). These biofuels are then blended into HSFO, VLSFO and MGO, depending on buyers' needs.

China increased Russian bunker fuels imports in July

China imported 275,000 mt **bonded bunker fuel** from Russia in July, market intelligence provider JLC reported, citing data from China's General Administration of Customs (GACC). Heavy discounts on Russian bunker fuels propelled China to import large volumes in July, JLC reported. Russia accounted for nearly 82% of China's total bonded bunker imports last month. Japan (14%) and South Korea (3%) were the second- and third-biggest bonded bunker fuel exporters to China in July. Japan delivered 46,300 mt of bunker fuel to China and South Korea delivered 10,700 mt. Despite a surge in imports from Russia, China's total bonded bunker fuel imports fell to 334,000 mt in July, down 26% from total imports in June.

First ship-to-ship methanol bunkering in East Port Said

A.P. Moller - Maersk's methanol-fuelled vessel was bunkered with 500 mt of **bio-methanol** in Egypt's East Port Said at the northern end of the Suez Canal. The methanol stem was delivered by the chemical tanker Lara S, which is operated by Dutch methanol producer OCI Global under its OCI HyFuels brand. "This operation is the first of its kind in Egypt, Africa, and the Middle East, as part of Egypt's strategy to restore its role in ships' bunkering services, whether with fossil or green fuel and then enhance the benefit from the prime location of its seaports on the Red Sea and the Mediterranean Sea," said the general authority for the Suez Canal Economic Zone (SCZONE).

IBIA calls for wider adoption of mass flow meters

The adoption of Coriolis mass flow meter (MFM) will help to increase transparency between suppliers and buyers, and reduce quantity-related disputes in fuel deliveries, said the International Bunker Industry Association (IBIA). Coriolis MFM is an instrument that measures the mass flow rate of a fluid passing through a tube. The advantages of using MFMs have already been proven in the Port of Singapore, IBIA said. The Maritime & Port Authority of Singapore (MPA) made the use of MFM systems mandatory for deliveries of all marine residual fuel oils and distillates in 2017 and 2019, respectively. IBIA has urged other ports to work towards making **MFM mandatory** to ensure a level playing field.

The use of MFMs in bunker ports globally will also help in implementing electronic Bunker Delivery Notes (electronic BDNs). "MFM is an important solution to streamline digitalisation for end-to-end bunker operations as this can support real-time measurement and operational information needed for the use of electronic BDNs," IBIA added.



Norwegian duo to order ammonia/hydrogen-powered bulk carriers

Norwegian shipping companies OSM Thome and Pherousa Green Shipping have agreed to build six **ammonia-fuelled** bulk carriers. The 63,000-dwt vessels have been designed to “include the ammonia cracking technology” developed by Pherousa’s technology transfer firm: Pherousa Green Technologies (PGT). The system converts liquid ammonia stored onboard into pure hydrogen, which can then power proton exchange membrane (PEM) fuel cells.



Wärtsilä and Corvus develop ‘world’s largest’ electric ferry

Uruguayan ferry operator Buquebús has ordered a fully electric, lightweight catamaran ferry from Tasmania-based shipbuilder Incat. The 130-metre-long vessel will be propelled by eight battery-powered **electric motors** coupled with Wärtsilä’s waterjet technology, which uses a high-pressure water jet to generate thrust for the vessel. Norwegian marine tech firm Corvus Energy will supply the battery modules to power the vessel’s electric operations.

Average Fuel Oil Stocks in August

8.92m bbls

Average Fuel Oil Stocks in July

9.36m bbls

Fujairah fuel oil stocks drawn 5% on higher net exports

Fujairah’s fuel oil stocks have averaged 5% lower so far this month than across July, Fujairah Oil Industry Zone (FOIZ) and S&P Global data shows. Fujairah has imported 323,000 b/d of fuel oil this month, up by 30,000 b/d from July, according to cargo tracker Vortexa. In the same time frame, the port’s fuel oil exports have risen by 10,000 b/d to 411,000 b/d. Higher exports so far in August have tilted Fujairah’s trade balance into a net export surplus and contributed to the decline in stocks.

Russia has dominated Fujairah’s fuel oil imports so far this month, accounting for 29% of the port’s total. Iraq (16%) and Iran (14%) have been the UAE port’s second and third biggest fuel oil import sources this month. The bulk of fuel oil exports from Fujairah have headed for Singapore (36%), Malaysia (19%) and Thailand (13%). Prompt bunker supply of all grades is currently tight in Fujairah amid good demand. Lead times of 5-7 days are recommended.

Weekly Brent Developments

Front-month Brent is on track for a **2% drop** on the week as concerns about tight global supply were countered expectations of more interest rate hikes by the US Federal Reserve (Fed).

Downward pressure:

Policymakers from various central banks are expected to discuss ways to tackle inflation, including interest rate hikes, during the annual Jackson Hole symposium this week. Oil investors are now waiting for fresh cues from the US Fed chair Jerome Powell’s speech on Friday. “Fed chair Powell’s speech will reiterate that more rate hikes might be needed and that rates should stay higher for longer,” OANDA’s senior market analyst Ed Moya said.

Additionally, Iran’s crude oil output is set to increase by 100,000 b/d to 3.4 million b/d by the end of September, the country’s state media quoted Iran’s oil minister Javad Owji saying.

Upward pressure:

Commercial US crude inventories were drawn by 6.13 million bbls on the week, to 433.52 million bbls on 18 August, according to latest figures from the US Energy Information Administration. That was the lowest stock level since December last year.

Crude oil supply cuts pledged by oil giants like Saudi Arabia and Russia have also provided some support to Brent futures in recent weeks.

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