

Weekly Market News

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Check out our latest article: What is driving bunker prices higher & how quickly can they fall?

READ
REPORT



HSFO supply runs almost dry in Gibraltar

Bunker buyers are struggling to secure **HSFO stems** for both prompt dates and dates further out in Gibraltar, as some suppliers are running out of stock there, sources say. HSFO availability has been tight in Gibraltar since the start of the month. Two in three suppliers are almost out of stock, and expect replenishment cargoes to arrive by 6 October, a source says. One supplier has limited HSFO stocks available and can only deliver stems on a case-to-case basis. The supplier expects to receive a replenishment cargo by 15 October. Lead times for HSFO in Gibraltar have doubled from 4-6 days last week, to 7-12 days now. HSFO supply is also tight in other locations in and around the Mediterranean such as **Las Palmas** and **off Malta**.

Northstar to start offering biofuel blends in the ARA

Northstar will start offering **B30 VLSFO** and **LSMGO blends** for bunkering in the ARA from December. Biofuel blends from 150 mt and larger can be accommodated, and Northstar expects to be able to deliver with short lead times. Sea-going vessels can expect direct deliveries, it said. Northstar is a leading bunker supplier in the ARA with a fleet of 12 bunker barges. Meanwhile, Dutch marine firm Burando Maritime Services has acquired a 30,000 cbm-capacity storage terminal in Amsterdam. The terminal will be used to store bio-components like fatty acid methyl ester (FAME) and hydrogenated vegetable oil (HVO), along with gasoil and diesel. This could benefit ARA-based bunker supplier Trefoil, a subsidiary of Burando Group.

Bunker One expands supply to another Brazilian port

Global bunker supplier Bunker One has partnered with the Brazilian refinery Acelen to supply bunker fuels in the **port of Itaquí**. It has already started VLSFO and LSMGO supply in Itaquí anchorage areas. Bunker One hopes the partnership with Acelen can help it to boost its Brazilian bunker market share by 30%. Bunker One's entry to the Itaquí market follows LSMGO supply in several other Brazilian ports. It has delivered LSMGO stems with three barges in Rio de Janeiro and one barge in Vitoria over the past three months, and with trucks in Suape and Itajai. The company expects the new physical supply to also reduce lead times for ships seeking bunkers at the outer anchorage in Itaquí.

Shanghai, LA-LB set green shipping corridor target date

The first low- and zero-emission vessels will be deployed on the Los Angeles, Long Beach and Shanghai **green shipping corridor by 2025**. The C40 Cities association, a global network of cities working to address climate change, is facilitating this project to help reduce emissions on "one of the world's busiest container shipping routes". The C40 Cities association and corridor partners have now released an action plan to implement the green shipping corridor between the two Californian ports and Shanghai. According to the roadmap, the carrier partners of the project that will deploy low- or zero-emission ships on the corridor include shipping majors CMA CGM, COSCO Shipping Lines, A.P. Moller-Maersk and Ocean Network Express.

The port partners will develop bunkering infrastructure to provide cleaner marine fuels along the route, and shore power facilities in ports to reduce emissions from ships at berth by 2025. The carrier partners have invested in methanol-fuelled vessels individually. Some of them have also announced plans to investigate **ammonia as a primary fuel** in the future.



Swedish firms to explore waste-derived hydrogen as a marine fuel

Swedish ferry operator Gotlandsbolaget will power its upcoming hydrogen-powered vessels with **waste-to-hydrogen fuel** produced by cleantech firm Plagazi. Plagazi is building a production facility in the Swedish town of Köping, where 66,000 mt/year of unrecyclable waste will be converted into synthetic gas to produce 12,000 mt/year of zero-emission hydrogen. The unrecyclable waste can include both household and industrial waste, Plagazi said.



Ammonia will dominate alternative marine fuel mix in 2050 - IEA

The International Energy Agency (IEA) has forecast **ammonia bunker demand** to constitute 44% of total bunker demand by 2050. It sees ammonia as “the primary low-emissions fuel” to decarbonise shipping, “with the contributions from biofuels and hydrogen limited in large part by their relatively high costs.” Based on the IEA’s forecast, the number of ammonia-ready vessel orders is likely to increase by around 20% annually towards 2030.

Implied US Fuel Oil Demand in September

166,000 b/d

Implied US Fuel Oil Demand in August

210,000 b/d

US fuel oil production rises to five-month high

US fuel oil production has averaged **17% higher** this month than in August, and is at its highest monthly level since April this year, data from the Energy Information Administration (EIA) shows. Gulf Coast refineries have produced an average of 134,000 b/d so far this month, a considerable increase from the 94,000 b/d produced in August. West Coast refineries have produced 10% more fuel oil this month, while East Coast refineries have produced 14% less. Meanwhile, US fuel oil supply, or implied demand, has come **down by 21%** from August to 166,000 b/d this month. Much less fuel oil has been supplied out of storage to outlets like bunker fuel blenders and bulk terminals, refinery coking units for upgrades to other higher-value products, or for power generation. Overall US refinery utilisation has averaged 92% this month, down from 94% in August and July. Total US fuel oil stocks have gained 4% this month, and averaged 28 million bbls.

Weekly Brent developments

Front-month Brent is heading for a **3% rise** on the week as concerns about tight global oil supply were exacerbated by an unexpected fall in US crude stocks.

Upward pressure:

Commercial US crude stocks fell by 2.17 million bbls on the week, to 416.29 million bbls on 22 September, according to the US Energy Information Administration. The weekly stock draw ran counter to the American Petroleum Institute’s projection of a 1.59 million bbls build. “Oil prices are back on the rise as a global supply shortfall is becoming more evident,” said Price Futures Group’s senior market analyst Phil Flynn. Moreover, production cuts by the top OPEC+ producers Saudi Arabia and Russia are making the oil market “extremely tight,” OANDA’s market analyst Craig Erlam said.

Downward pressure:

Meanwhile, higher oil prices have raised fears about yet another interest rate hike by the US Federal Reserve to tackle inflation. Higher interest rates can hamper demand for dollar-denominated commodities like oil.

Besides, Russia’s ban on gasoline and diesel exports has been moderated by Moscow. The country has now exempted higher-sulphur gasoil and bunker fuel sales from the ban.

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