

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



Vessels struggling with Panama Canal congestion

Shipowners are moving their bunkering operations offshore to steer clear of congestion by the Panama Canal, where vessel transits have been held back by low water levels, bunker supplier Monjasa says. An average of 36 vessels/day typically transits the canal, but that number has now dropped to 32 vessels/day. As a result, vessels are waiting for longer periods on both sides of the canal. Monjasa is currently collaborating with local maritime authorities and shipowners to reduce their bunker waiting times by moving deliveries to the outer anchorage. Due to delays of **10-15 days**, or even longer, more and more ships are making enquiries about fuel availability at the **Atlantic outer anchorage**.

Cepsa starts offering B24 biofuel blend in Barcelona

Cepsa bunkered a container ship operated by German shipping company Hapag-Lloyd with a **B24 blend** for its **biofuel debut** in Barcelona. The B24 blend contained a 24% biofuel components derived from used cooking oil. Cepsa said it can be blended with HSFO, VLSFO or MGO, depending on buyers' preferences. Cepsa offers second-generation biofuels, which means they are waste- and not crop-based. These biofuels offer an "immediate" alternative to conventional fuels for reducing shipping emissions, Cepsa's director of marine fuel solutions, Samir Fernández said. Cepsa will now supply biofuel by barge in Barcelona, in ports along the Strait of Gibraltar, as well as 60 other Spanish ports by tanker, the company said.

LPG bunker supply contract signed in the Middle East

Singapore-based LPG shipping firm BW LPG has signed an **LPG bunker supply** contract with Abu Dhabi National Oil Company (ADNOC). This could be the first dedicated LPG bunker supply contract signed in the Middle East, according to BW LPG. To support the bunkering requirement of its LPG-powered very large gas carriers (VLGCs), BW LPG is working with suppliers and oil majors to establish an LPG bunker supply network. One of its LPG-powered vessels, the BW Volans, recently bunkered LPG in Ruwais, UAE. The LPG stem was delivered by ADNOC Global Trading. The global LPG-fuelled fleet is currently made up of 77 vessels, with another 37 expected to join this year, according to classification society DNV data.

Rotterdam reduces port fees for ships using green fuels

Ships bunkering alternative fuels such as **green methanol** and **ammonia** in Rotterdam will qualify for reduced port fees. The port fee reduction can go up to €500,000 (\$527,000) for a large container ship that bunkers alternative fuels in the port, the Port of Rotterdam Authority said. Meanwhile, ships that bunker conventional marine fuels or biofuel blends in the port will not be eligible for the port fee reduction. The market for conventional marine fuel and biofuel is already mature in Rotterdam, the port authority argued.

The initiative aims to support the recently announced Zero Emissions Maritime Buyers Alliance (ZEMBA), which encourages early adopters of green fuels. Major retailers such as Amazon, IKEA and Nike are part of the ZEMBA consortium. "The ZEMBA consortium has launched a fantastic initiative with a willingness to pay carriers a premium for the use of zero-emission fuels, which are still more expensive than traditional fuels," the Port of Rotterdam chief executive Boudewijn Siemons said.



Houston Ship Channel to house large-scale blue ammonia plant

A cross-sectoral consortium is planning to build a 1.1 million mt/year **blue ammonia plant** on the Houston Ship Channel by 2027. The group, which includes terminal operator Vopak Moda Houston, will seek to export most of these volumes to Asia, Europe and the US for use in power generation and in the transportation sector. Vopak Moda will also expand its existing ammonia terminal by the Houston Ship Channel for greater storage capacity.



Methanol-fuelled vessel orders resume in September

Classification society's DNV latest tally shows that there are now 216 confirmed **methanol-fuelled vessels** in operation and on order, up from 204 in August. The 12-vessel-increase came after a month of no orders in August, but was still shy of a record 48 orders in July, said DNV's Martin Christian Wold. Container ships (151) make up the largest share of methanol-fuelled newbuild orders, followed by tankers (37), offshore vessels (7) and bulk carriers (7).

Total Bunker Fuel Sales in August

420,000 mt

Total Bunker Fuel Sales in July

412,000 mt

Panama bunker sales rose to five-month highs in August

More vessels arriving to bunker contributed to push Panama's total bunker sales up in August. The number of ships bunkering in Panama's ports rose by 12 on the month, to 630 in August. This was the highest figure since March this year. The average stem size was 667 mt, almost unchanged from July, according to preliminary figures from the Panama Maritime Authority. **HSFO sales grew by 12%** in August, followed by a 1% increase in LSMGO sales. VLSFO sales remained roughly unchanged in August. There were 31 barges in operation during August, one more than in July. Despite a monthly rise in August, bunker sales were 6% lower in the first eight months of the year compared to the same period last year. LSMGO sales were down the most over this period, recording a 20% drop. VLSFO continued to be the most sought-after product in August, and accounted for 70% of total sales in Panama. HSFO sales represented 19% of the total, and combined MGO sales 11%.

Weekly Brent developments

Front-month Brent is set for a massive **11% fall** on the week as concerns about a slowdown in global oil demand outweighed OPEC+'s decision to maintain production cuts.

Downward pressure:

Brent's rally towards \$100/bbl was curtailed after the US Energy Information Administration reported a surge in US gasoline stocks, indicating a potential decline in demand for crude oil in the future. US gasoline stocks gained by 6.5 million bbls in the week to 29 September, when they recorded 227 million bbls - the highest level since March. Some market analysts believe that inflationary pressures could prompt the US Federal Reserve to raise interest rates later this year. "The current rates environment and weak gasoline market appear to have been the catalyst" to Brent's loss, said ING Bank's head of commodities strategy Warren Patterson.

Upward pressure:

Brent drew support after OPEC+ producers announced they will continue to cut output cuts until the end of this year. The group's top producers Saudi Arabia and Russia reaffirmed their pledges to extend voluntary supply cut. "Given OPEC's pricing power, while not our base case, a push to \$100/bbl is not out of the question if OPEC+ continues to intervene in markets," said SPI Asset Management's managing partner Stephen Innes.

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