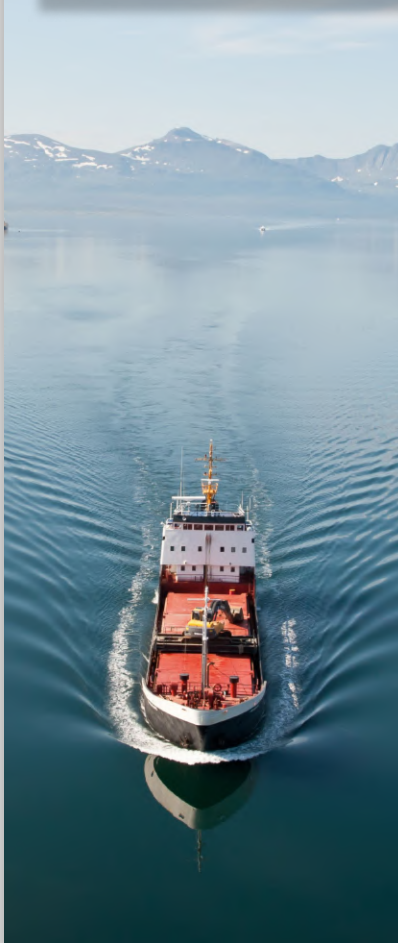


Weekly Market News

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Hot off the press:
The Q3 Bunker
Quality Trends
Report
from Integr8's
Bunker Quality &
Claims Manager
Chris Turner

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REPORT



Shipping navigates towards transparency amid rise in alternative fuels – Chris Turner

The opacity and uncertainty that plagues the maritime industry may finally start to shift thanks to the requirement for **Proof of Sustainability (PoS)** in alternative fuels.

The shipping sector has come under increased scrutiny due to its environmental impact and lack of transparency in recent years. But it may “finally shift from the opacity (and **endemic mistrust**) of the past to a more professional, transparent and traceable future,” Integr8 Fuels bunker quality and claims manager Chris Turner writes in the latest bunker quality report.

With the EU's Emissions Trading System including shipping from next year, and with FuelEU Maritime coming into effect from 2025, shipowners will have to report their fleets' verified emissions to, from and between EU ports. Turner explains that alternative fuel suppliers must show that the bio-components in their fuels are sustainable and provide proof of that to their customers.

“If this is not possible then the alternative fuels, which are generally bought at premiums to conventional fuels, would not be counted in any emissions saving, counting the same as mineral fuels,” he says.

As a result, alternative fuel bunker buyers – especially biofuel consumers – will pay close attention to the feedstocks and well-to-wake emissions associated with these fuels. This is likely to compel suppliers to maintain and encourage transparency and traceability through their product supply chain.

US probes ship managers over Russia sanctions breaches

The US Treasury Department's Office of Foreign Assets Control has called on shipping companies operating in about 30 countries to request information about over 100 vessels that it suspects have **violated Western sanctions** on Russian crude oil. The US Treasury Department sent notices to these ship management companies asking them to attest that they are complying with the oil price caps imposed on Russian crude oil by the G7 group of countries, multiple newspaper have reported, citing official documents.

Among the imposed sanctions, G7 members set price caps on Russian oil and refined products in retaliation to Moscow's invasion of Ukraine in February 2022.

Wärtsilä pioneers first ammonia-fuelled ship engine

Finnish engine maker Wärtsilä has launched the industry's first ammonia-fuelled four-stroke marine engine, marking a breakthrough moment. Ammonia-fuelled engines will help speed up the shipping sector's **green fuel transition**, Wärtsilä's chief executive, Håkan Agnevall said.

In addition to ammonia, the dual-fuel engine can also operate on diesel, LNG and biofuels.

As ammonia is a hazardous and toxic substance by nature, the engine features an additional safety measure known as an “ammonia release mitigation system”. Wärtsilä explains that the system breaks down ammonia emissions into nitrogen and water and significantly reduces ammonia emissions, to less than 30 parts per million (ppm). “In fact, in most cases NH3 emissions are close to 0 ppm,” it claims. This system is a “green and safe alternative to venting pure ammonia, diluting it with air, or bubbling it in hazardous dirty water tanks,” according to Wärtsilä. The first engine in the batch will be installed on one of Viridis Bulk Carriers' short-sea bulk carrier by next year.



‘Implementation’ must be the key word at COP28 – DNV

Policy implementation should take precedence at COP28 this month, said Ditlev Engel, chief executive of energy systems at DNV. According to him, a long-term commitment can only be fostered through **"regulatory guarantees and financial incentives"**. This will help the shipping sector achieve emission-reduction targets and steer investments toward higher fuel production, which will primarily consist of carbon-heavy oil and natural gas until 2035.



Viasea gets government funds to build hydrogen-powered ships

Norwegian shipping line Viasea Shipping has received government funds to build two hydrogen-powered short-sea container ships. The ships will be powered by a combination of **green hydrogen** and diesel. They will be equipped with two large rotor sails and a battery pack each to reduce their total energy requirements “by more than 30%,” and the hydrogen will allow 75% CO₂-reductions against pure diesel-powered vessels, Viasea claims.

Bio-bunkers sales in October

79,000 mt

Bio-bunkers sales in September

44,000 mt

Singapore records massive surge in biofuel sales

Singapore sold nearly **2,500 mt/day** of bio-bunkers in October, a big jump from 1,400 mt/day in September, according to preliminary figures from the port authority.

Out of the total 79,000 mt of bio-blended bunkers sold in October, about 77,000 mt was VLSFO blended with a bio component – typically 24% in Singapore.

Around 2,000 mt was HSFO blended with a bio component.

Total biofuel bunker sales across the first 11 months of this year stood at 328,000 mt, more than twice the amount that Singapore sold through all of last year.

LNG sales more than doubled in October, following two consecutive months of decline.

In October, about 519 mt/day of LNG was sold, significantly up from 260 mt/day in September.

No methanol sales were recorded for a third straight month.

Singapore conventional bunker sales rose for second consecutive month, to 4.31 million mt in October. More vessels arrived to bunker and sales of both VLSFO and MGO increased.

Weekly Brent developments

Front-month Brent has weakened further and traded **4% below** its settlement last week. Growing US crude stocks and a weakening Chinese economy have weighed on the benchmark.

Downward pressure:

Brent's upward gains were capped after the US Energy Information Administration (EIA) reported a 3.60 million bbls rise in commercial US crude inventories in the week ended 10 November. “Oil prices nosedived after government data showed U.S. crude oil stockpiles spiked above consensus last week while demand for refined fuels fell,” SPI Asset Management’s managing partner Stephen Innes said.

A recent market report from the International Energy Agency (IEA) suggested that the oil market may not be as constrained as initially anticipated in the fourth quarter. Higher production from non-OPEC+ producers will offset some of the supply cuts from OPEC+ producers, it argued.

Upward pressure:

The IEA and OPEC maintained optimistic outlooks on global oil demand growth for this year in their latest oil market reports, highlighting demand growth in China and other Asian countries.

The IEA increased its forecast for global crude oil demand growth by 100,000 b/d to 2.40 million b/d in 2023, while OPEC raised its forecast by 20,000 b/d to 2.46 million b/d.

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