

# Weekly Market News

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The Q3 Bunker  
Quality Trends  
Report  
from Integr8's  
Bunker Quality &  
Claims Manager  
Chris Turner

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REPORT



## Drought puts Panama Canal transits in jeopardy

Shipping firms are bracing for a tough season ahead as **dry weather** in Panama threatens to halt large oil tankers from using the Panama Canal, forcing them to take **longer routes**. Earlier this month, the Panama Canal Authority (ACP) announced that it will reduce the number of ships it allows to pass through each day from 32 to 24. The drop in transits will have a greater impact on larger oil tankers, as they no longer will be able to compete for auction slots and are mostly unable to schedule voyages in advance like container ships do, said energy and ship brokerage firm Poten & Partners in a report. By February, daily transit slots might drop to half of the canal's typical capacity, ACP said.

## Peninsula delivers first LNG stem in Gibraltar

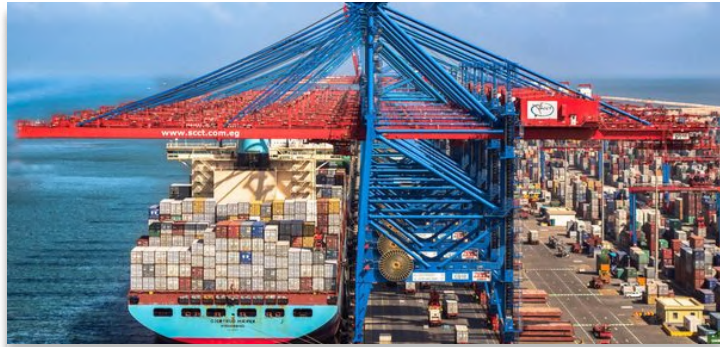
Global bunker supplier Peninsula delivered an undisclosed amount of LNG to Royal Caribbean's cruise vessel Silver Nova in Gibraltar last Saturday. The **LNG stem** was delivered by Peninsula's 12,500 cbm-capacity LNG supply vessel Levante LNG. The vessel will operate around ports in the Strait of Gibraltar and Western Mediterranean region. Peninsula already supplies conventional bunker fuels around Gibraltar, as well as in other global locations. The Strait of Gibraltar is an important hub for both LNG and conventional fuel bunkering, as it connects the Atlantic Ocean to the Mediterranean Sea. Last month, Peninsula received an LNG bunkering licence from Gibraltar's government and the Gibraltar Port Authority.

## Wallenius Wilhelmsen trials B30 stem in South Korea

Nordic shipping and logistics firm Wallenius Wilhelmsen has bunkered its vehicle carrier vessel M/V Torrens with a **B30 biofuel** blend in Masan Port in South Korea. The blend contained a 30% biofuel component derived from used cooking oil methyl ester (UCOME) and 70% HSFO. The biofuel blend was supplied by South Korean energy firm GS Caltex. Wallenius Wilhelmsen is currently assessing the "viability of both HSFO-biofuel blends and VLSFO-biofuel blends in the Asia region as part of its global deep-sea trade decarbonisation strategy," the company said. The shipping company expects that the collaboration with GS Caltex will ensure a steady supply of biofuel blends in South Korean ports.

## Cruise ships prefer diesel over shore power in UK ports

An investigation conducted by socio-political media outlet openDemocracy revealed that cruise ships visiting the UK ports often fail to use "zero emissions" onshore power while in port and instead burn gasoil or diesel to meet their energy requirements. According to Associated British Ports, an evaluation of ship schedules in Southampton port revealed that between April 2022 and July 2023, there were around 300 days when at least one cruise ship was docked. However, during this period, shore power was only used on 71 occasions. Meanwhile, shore power has been available at two out of five terminals in Southampton since April 2022. The investigation by openDemocracy found that several cruise lines have not yet upgraded their ships to use shore power. Transport & Environment's sustainable shipping manager Jon Hood has accused cruise companies of greenwashing by saying that they "trumpet their use of shore power to seem green" but, fail to do so. Hood has advocated for a government mandate that requires "cruise ships to plug into shore power when it's available".



## DAI, Siemens Energy to set up green ammonia plant in Egypt

German infrastructure investment firm DAI Infrastruktur and energy tech firm Siemens Energy have agreed to build a **green ammonia plant** in Egypt's East Port Said, with a production capacity of 1.65 million mt/year. Production is scheduled to start in 2028. Green ammonia will be offered to bunker ammonia-fuelled vessels passing the Suez Canal. It will also be sold to German and European off-takers, with the bulk of it to be consumed as marine fuel.



## Ammonia vessel orderbook sees a 'breakthrough' – DNV

Classification society's DNV latest tally shows that there are now 230 confirmed **methanol-fuelled** vessels in operation and on order, up from 216 in September. 14 methanol-fuelled vessels were added to DNV's database in October, while 12 vessels were recorded in September, said DNV's principal consultant Martin Christian Wold. DNV has also confirmed three orders for **ammonia-fuelled** vessels that are scheduled for delivery in 2026.

### Average fuel oil stocks in November

11.59m bbl

### Average fuel oil stocks in October

10.65m bbl

## Fujairah's fuel oil stocks rise coming into November

Fuel suppliers have stored **9% more** fuel oil in Fujairah in the first week of November compared to October, Fujairah Oil Industry Zone (FOIZ) and S&P Global data shows. Fujairah has imported 237,000 b/d of fuel oil so far this month, down from 262,000 b/d in October. Nearly half of the port's imports have arrived from Iraq, followed by Russia (29%) and Iran (21%).

Fujairah's exports have declined massively over the same period, from 360,000 b/d in October to 202,000 b/d so far this month. The bulk of fuel oil exports from the Middle Eastern bunker hub have departed for China (35%), Saudi Arabia (28%) and Mauritius (14%).

Middle distillate stocks, on the other hand, have declined and averaged 11% lower compared to the previous month.

Prompt availability of all bunker fuel grades is said to be tight in Fujairah, with several suppliers recommending lead times of 5-7 days. Some suppliers can still offer prompt dates across all grades, a source says.

## Weekly Brent developments

Front-month Brent is set for a **5% fall** on the week as concerns about a slowdown in global oil demand escalated after China's economy showed signs of weakening.

### Downward pressure:

China's exports fell by 6.4% in October compared to 2022 levels, according to the country's customs agency. "China's trade data was a negative double whammy for oil prices, and it got the price ball rolling downhill," said SPI Asset Management's managing partner Stephen Innes. "Deteriorating shipments primarily drove this export drop to significant trading partners in Europe and North America," Innes said.

An unexpected large build in the US weekly commercial crude inventories reported by the American Petroleum Institute (API) also sparked concerns about a decline in oil demand.

### Upward pressure:

Brent futures gained some support after OPEC+ top oil producers Saudi Arabia and Russia reaffirmed that they will extend their voluntary crude output and export cuts until the end of this year. "The confirmation from these producers that they would continue with cuts shouldn't come as too much of a surprise," analysts from ING Bank said in a note. "However, what the market will be more interested in is if they extend these cuts into early 2024," they added.

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