

# Weekly Market News

15th-19th January 2024

Integr8 becomes ISCC-certified to trade sustainable biofuels and help shipowners comply with environmental regulations

READ  
UPDATE



## Houthis hit US-operated bulk carrier in Gulf of Aden

The Iran-aligned Houthi militants fired an anti-ship ballistic missile on Monday, hitting a Marshall Islands-flagged dry bulk carrier, US Central Command (CENTCOM) said. The bulk carrier, Gibraltar Eagle, is owned and operated by US-based shipping company **Eagle Bulk Shipping**. The vessel was hit after sailing 100 miles into the Gulf of Aden. It was carrying a steel cargo at the time of the incident. The vessel sustained limited damage to a cargo hold and remains stable after being hit, Eagle Bulk said. The Yemeni militant group has been carrying out airstrikes on commercial vessels in the Red Sea in response to the ongoing conflict between Israel and Hamas in Gaza. It claims that these vessels are linked to Israel.

## Rohe Solutions delivers first LNG stem in Kokkola

Finnish LNG supplier Rohe Solutions delivered an undisclosed amount of LNG to the chemical tanker Saana in the **Port of Kokkola**, Finland. The LNG stem was delivered by trucks. LNG has been gaining popularity among shipowners. The global LNG-fuelled fleet is currently made up of 469 vessels, with another 244 expected to join this year, data from classification society DNV shows.

LNG can curb carbon dioxide emissions by about a quarter compared to conventional bunker fuels. But its methane emissions can be 36 times more potent as a greenhouse gas (GHG) compared to carbon dioxide over a century, according to a World Bank study. Rohe Solutions has previously said it will launch supply of bio-LNG to ships in 2024. It will begin liquefying biogas from the grid at the Hamina LNG terminal, followed by pilot deliveries.

## Petronas ramps up LNG supply with new bunker vessel

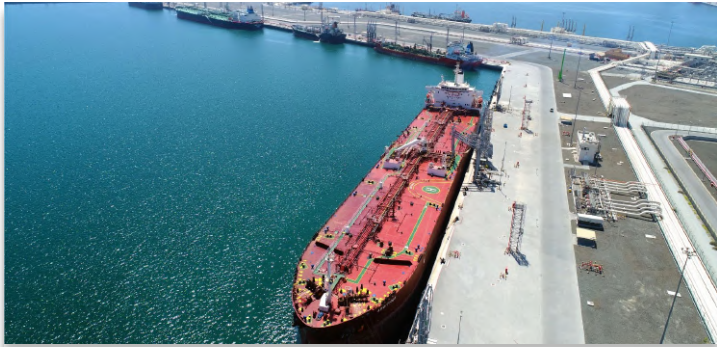
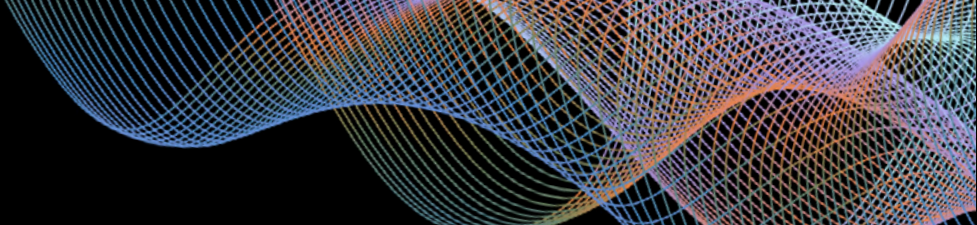
Fratelli Cosulich has chartered an LNG bunker vessel to Petronas for a period of two years. The LNG bunker barge, Paolina Cosulich, has been chartered to Petco, a subsidiary of Malaysian state-owned Petronas. The **Paolina Cosulich** can carry 8,200 cbm (3,665 mt) of LNG and 500 mt of MGO. It is expected to be deployed in the Strait of Malacca.

Petco recently secured a time-charter extension for another LNG bunker vessel, Avenir Advantage, from British LNG supplier Avenir LNG. The vessel will supply LNG to vessels in Malaysia and Singapore in southeast Asia. According to classification society DNV data, Avenir Advantage was delivered in 2020 and has been operating in Asia, especially in Malaysia, where LNG bunker sales have grown sharply in ports such as Johor since 2020.

## TFG Marine to supply methanol in Singapore

Global bunker supplier Fratelli Cosulich has ordered a 8,000 cbm-capacity chemical tanker that TFG Marine will use deliver methanol to ships in Singapore. The bunker vessel will be constructed by Taizhou Maple Leaf Shipbuilding in China. The cargo tanks of the vessel will be coated to enable them to carry **green methanol** and **biofuels**, the company said.

"We believe in a multi-fuel future and this is an additional important step by our Group in that direction, after having built two LNG bunker vessels," said Fratelli Cosulich's head of marine energy Guido Cardullo. This new vessel will be chartered at a fixed rate to bunker supplier TFG Marine and is expected to be delivered in the last quarter of 2025 in the Port of Singapore. Singapore is getting ready to provide reliable supply of green methanol from 2025, as more shipping companies are set to adopt green methanol as a fuel to help reduce their carbon footprints. Methanol-fuelled ships are being ordered across the globe.



## Fujairah sales took a hit in 2023

Lower VLSFO and LSMGO sales dragged down Fujairah's total bunker sales by 7% to **7.36 million mt** in 2023, according to the Fujairah Oil Industry Zone (FOIZ) and S&P Global Commodity Insights. Sales of the most sought-after product, VLSFO, declined by 760,000 mt to 5.26 million mt in 2023. Around 14,000 mt/day of VLSFO was sold, which was about 2,000 mt/day less than in 2022. LSMGO sales fell by 24,000 mt to 282,000 mt, while HSFO sales bucked the trend and rose by 224,000 mt to 1.80 million mt.



## Zhoushan becomes fourth biggest bunker port - JLC

Bunker suppliers in Zhoushan sold about **7.05 million mt** of bunkers in 2023, an increase of 17% on the year, market intelligence provider JLC said. Zhoushan has now become the fourth largest bunkering hub by volume, after Singapore, Rotterdam and Fujairah, according to JLC, which cited data from the Zhoushan Maritime Safety Administration. 20 licensed bunker suppliers operate in Zhoushan, three of which joined in 2023.

### Singapore bio-bunker sales in 2023

**524,000 mt**

### Singapore bio-bunker sales in 2022

**140,000 mt**

## Singapore records surge in biofuel sales in 2023

Singapore sold around 1,400 mt/day of bio-bunkers in 2023, **more than triple** the 400 mt/day in 2022, according to preliminary figures from the port authority. Almost all of the bio-blended bunkers sold in 2023 was VLSFO blended with a bio component - typically 24% in Singapore. Total biofuel bunker sales across 2023 stood at 524,000 mt.

LNG sales rose by a massive 581% in 2023. Around 300 mt/day of LNG was sold in 2023, climbing from just 50 mt/day in 2022.

Only 300 mt of methanol was sold in 2023. It was a widely publicised event where A.P. Moller-Maersk's methanol-fuelled vessel was bunkered with bio-methanol. It was supplied by physical bunker supplier Hong Lam Marine and produced by OCI HyFuels.

Singapore's total conventional bunker sales rose by 7% to a multi-year high of 51.27 million mt. A total of 41,438 vessels arrived for bunkers in 2023, up from 37,662 vessels in 2022. Equatorial Marine was Singapore's biggest bunker supplier for the second straight year.

## Weekly Brent developments

Front-month ICE Brent has been rather rangebound for a third straight week, but is on track to **gain 1%** on the week with support from a fresh global oil demand forecast.

### Upward pressure:

OPEC forecasts global oil demand to rise by 2.2 million b/d this year, and by another 1.85 million b/d next year. If that comes true, it will mean an all-time record 106.2 million b/d in 2025. This year's oil demand will be "bolstered by strong air travel demand and healthy road mobility, including on-road diesel and trucking, as well as healthy industrial, construction and agricultural activities in non-OECD countries," OPEC said.

Concerns about potential oil supply disruptions resurfaced after the US Navy launched another round of airstrikes at Houthi bases in Yemen, in response to their attacks in the Red Sea.

"Given the [Red Sea] uncertainty and the risk of a spillover, oil prices are likely to remain relatively well supported," said two analysts from ING Bank.

### Downward pressure:

Brent price gains were capped by a strengthening US dollar, after comments from US Federal Reserve (Fed) officials dampened the market's expectation that interest rate cuts can happen in the first quarter of 2024. A stronger US dollar can make dollar-denominated oil costlier.

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