

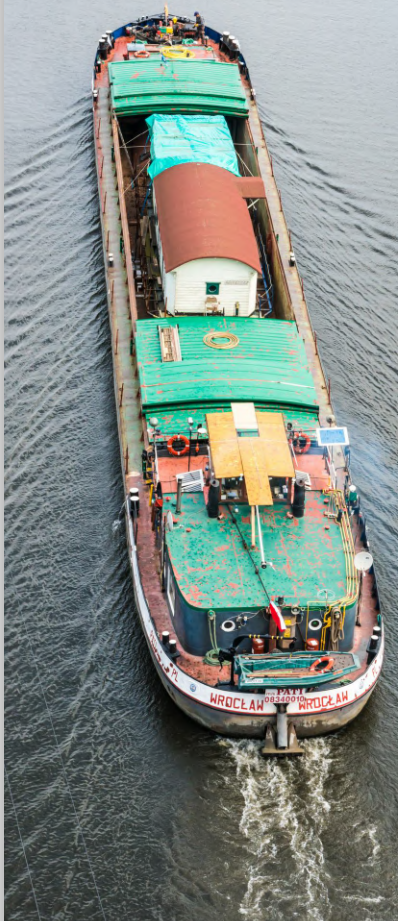
# Weekly Market News

22th-26th April 2024

**Integr8's Steve Christy looks at the fundamentals impacting Brent and explores:**

Is it time to worry when all the analysts are in agreement?

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UPDATE



## Peninsula delivers B30 biofuel blend in Zeebrugge

Global bunker supplier Peninsula delivered the first **B30 biofuel blend** to Japanese shipping major Nippon Yusen Kaisha's (NYK Line) vehicle carrier in Zeebrugge, Belgium. Peninsula's bunker barge, New York, delivered 1,200 mt of B30 to NYK Line's vehicle carrier, Garnet Leader. The B30 blend was made up of 30% biofuel derived from used cooking oil methyl ester (UCOME) and 70% conventional marine fuel. Peninsula was "solely responsible for the operation and physical supply," a spokesperson from the company told ENGINE. The biofuel component in the blend is International Sustainability & Carbon Certification (ISCC)-EU certified, the company said.

## Molgas forays into Italian LNG bunker market

Spanish LNG company Molgas recently bunkered a roll-on/roll-off (ro-ro) vessel with fossil **LNG** in the Italian port of **Trapani**. The ro-ro vessel belongs to Italian shipping company Caronte & Tourist and was bunkered by truck. This marked Molgas' expansion into the Italian LNG bunkering market. Molgas has been actively scaling its LNG operations across Europe. In February, it carried out LNG bunkering operations in the Belgian ports of **Zeebrugge** and **Antwerp**. In the same month, Molgas delivered its first LNG stem in the French port of **Honfleur**. LNG can curb carbon dioxide emissions by about a quarter compared to conventional bunker fuels. But its methane emissions are over 80 times more potent as a GHG compared to carbon dioxide over a 20-year period.

## TotalEnergies plans LNG bunkering project in Middle East

French energy major TotalEnergies will supply **LNG** to ships in Oman. As part of the project, an LNG liquefaction plant will be built in the Omani port of Sohar, with a liquefaction capacity of 1 million mt/year of natural gas. The LNG produced here will primarily be used as **bunker fuel**, with production scheduled to begin in the first quarter of 2028, TotalEnergies said. The project will be run by a joint venture between TotalEnergies and Oman's state-owned oil company OQ, and it will be called Marsa LNG. The plant will receive up to 150 million cubic feet/day of natural gas as feedstock. TotalEnergies has also agreed to buy 800,000 mt/year of LNG from Oman LNG, the Sultanate's state-owned LNG plant. The agreement will last for a decade, starting in 2025.

## EU must prioritise green investment in ports - ESPO

European ports "must be able to prioritise green investments that make most sense in terms of **emission reduction**," according to a study conducted by the European Sea Ports Organisation (ESPO). The study has revealed that European ports will require investments in excess of €80 billion (\$85.48 billion) over the next 10 years. At least 24% of this funding will be needed to develop alternative energy infrastructure for ships and ports. Newly elected members of the European Parliament (MEPs) should encourage and facilitate these investments, ESPO said. The EU will hold elections to elect members of the European Parliament between 6-9 June this year. ESPO has released a memorandum outlining its key recommendations for the next five years to help future representatives lay the foundation for **net-zero shipping by 2050**. Newly elected MEPs should focus on compliance and incentives, it said. Incentives could be provided through tax exemptions for shore power, ESPO argued.



## Simonsen orders eight methanol dual-fuel tankers from China

Danish shipping company Rederiet MH Simonsen (Simonsen) has ordered **eight dual-fuel methanol** chemical tankers from China's Jiangxi Xinjiangzhou Shipbuilding Heavy Industry. The 6,800-dwt IMO type 2 chemical tankers will be able to run on methanol and conventional marine fuels. An IMO type 2 chemical tanker is designed for transporting moderately hazardous chemicals according to International Maritime Organisation (IMO) standards.



## Climate orgs back e-fuels over biofuels and LNG

Opportunity Green and Ship It Zero have voiced concerns about the long-term viability of **biofuels** and **LNG** to decarbonise cargo shipping. Both non-profits favoured the use of e-fuels over biofuels. Biofuels are not "scalable" or long-term alternatives to decarbonise shipping, Jonathan Butler, Ship It Zero's campaign lead for Pacific Environment said. E-fuel supply must be scaled up to "truly reach a sustainable zero-emission shipping future," he said.

### Fujairah fuel oil stocks in April

10.05m bbls

### Fujairah fuel oil stocks in March

9.71m bbls

## Fujairah's fuel oil inventories rise 3% in April

Fujairah's fuel oil stocks have averaged **3% higher** so far this month than across March, data from Fujairah Oil Industry Zone (FOIZ) and S&P Global shows. According to cargo tracker Vortexa, Fujairah has imported 226,000 b/d of fuel so far in April, down by a significant 72,000 b/d from March. In the same time frame, the port's fuel oil exports have declined by 21,000 b/d to 315,000 b/d.

Iraq (42%) has been the source of almost half of Fujairah's total fuel oil imports, followed by Russia (23%) and Iran (14%). The bulk of fuel oil exports from the port have headed for Singapore (27%), followed by Malaysia (23%) and South Korea (20%).

Fujairah's middle distillate stocks have also swelled, averaging 84% higher on the month. Bunker demand has now weakened in Fujairah after a slight increase last week, but prompt availability of all grades remains limited due to backlogs caused by recent adverse weather conditions. Suppliers are recommending unchanged lead times of 7-10 days across all grades.

## Weekly Brent developments

Front-month Brent is on track to gain by **1%** on the week amid concerns about growing geopolitical tensions in the Middle East and eastern Europe.

### Upward pressure:

On Wednesday, US President Joe Biden signed into law an aid package worth \$95 billion, providing support to Ukraine, Israel and the Indo-Pacific region. "The Kremlin's response to the promise of new aid to the country Russia is attempting to conquer (Ukraine) could heighten tensions further," SPI Asset Management's Stephen Innes commented.

US commercial crude oil stocks fell by 6.37 million bbls on the week to 453.63 million bbls on 19 April, Energy Information Administration (EIA) data shows.

### Downward pressure:

Oil market participants are awaiting the release of US GDP figures and March's personal consumption expenditure data. Both datasets will be crucial for evaluating the US Federal Reserve's path of monetary policy, which could impact oil demand in the country.

Internal conflicts about oil output within the OPEC+ coalition could prompt certain members to release their spare capacities, analysts said. "The UAE has expressed eagerness to ramp up production," Innes commented.

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