

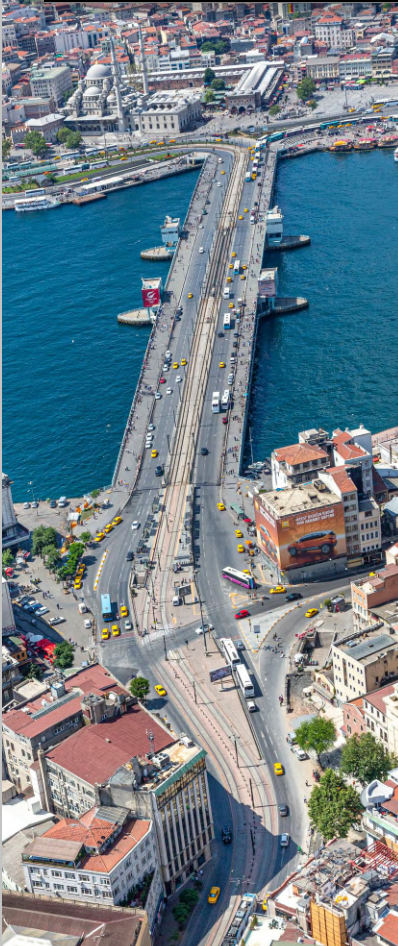
# Weekly Market News

24th - 28th June 2024

## Integr8 Research's Steve Christy explores why the market has turned

Speculators are buying; it looks like prices are going up!

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UPDATE



## Turkish bunker supplier Unerco to offer bio-blends

Turkish physical bunker supplier Unerco Petrol Ürünleri Denizcilik ve Ticare (Unerco) is ready to offer **B10, B20, B24 and B30 biofuel blends** in Türkiye. Unerco also offers physical deliveries of HSFO, LSMGO and VLSFO grades in Istanbul, Marmara, Bozcaada and Iskenderun, as well as in all Turkish Aegean and Black Sea ports via barges and trucks. The company has now been certified by the International Sustainability & Carbon Certification (ISCC), which enables it to supply biofuel blends with ISCC certification. According to the ISCC database, three physical bunker suppliers in Istanbul are ISCC-certified. However, according to sources, Unerco is currently the only supplier that can offer physical biofuel bunker deliveries in Türkiye.

## Monjasa ramps up physical operations in Panama

Global bunker supplier Monjasa has redeployed its bunker tanker Monjasa Thunder from West Africa to Panama. The announcement follows easing of transit restrictions and improved water levels in the **Panama Canal**.

The Panama Canal Authority recently increased the max number of daily vessel transits it allows from 22 to 34, significantly improving the flow of maritime traffic in the vital waterway. The improvements in the canal's operations are expected to alleviate shipping delays and reduce logistical costs. Monjasa Thunder will operate in the Port of Balboa at the Pacific Ocean entrance of the Panama Canal and is set to become the canal's first floating storage unit. The 20,000-dwt tanker will serve multiple purposes, including regional cargo and bunker supply operations, Monjasa said.

## Barges leave Algoa Bay amid offshore bunkering impasse

TFG Marine and Minerva Bunkering moved their **bunker barges** away from Algoa Bay between 28 May and 10 June, Unathi Sonti, executive chairperson of South Africa's Maritime Business Chamber told ENGINE. Unfortunately, all the bunker barges have left the disputed bunker location, a source from Port Elizabeth confirmed. The vessels removed from Algoa Bay operations are TFG Marine's Sea Emperor, Avatar, Vemaharmony and Vemadignity, Sonti said. Minerva's bunker barge Lefkas has also been removed. The vessels have been redeployed to Namibia and Mauritius to meet stronger demand there during the Red Sea crisis. Offshore bunkering has been suspended in Algoa Bay since September 2023, prompting suppliers to divert their barges to locations along the West African coast.

## Green ammonia to rule South Africa's alt fuels market

Green ammonia can become South Africa's preferred fuel to produce with zero-emission potential, according to a recent study by the World Economic Forum (WEF). **Scarce biogenic CO2 availability** could drive South African producers to produce green ammonia for bunkering instead of e-methanol, the study notes. Green ammonia is produced by combining green hydrogen with nitrogen obtained from the air through the Haber-Bosch process. Both hydrogen generation and Haber-Bosch processes will theoretically be powered by renewable electricity in the green production method. Green fuel producers can leverage South Africa's "abundant wind and solar resources" to generate more renewable electricity in ports like Boegoebaai and Saldanha Bay. This will allow them to produce affordable green hydrogen and green ammonia for the shipping sector, the study suggests. However, safety remains is "the biggest barrier for ammonia" as a marine fuel, it noted.





## Maersk-backed methanol fuel cell project moves forward

Denmark-based fuel cell maker Blue World Technologies has completed factory trials of its **methanol-based fuel cell system**. Going forward, one of A.P. Moller-Maersk's methanol-capable vessels will be equipped with a pilot 1kW fuel cell stack in 2026 to test auxiliary power generated by the system. In 2027, Blue World plans to commercialise methanol-based auxiliary power unit system to replace diesel power generators onboard ships.



## Canada introduces tax breaks for green hydrogen

Canada has approved CAD 93 billion (\$67.97 billion) in tax credits over 10 years to boost **clean hydrogen** production in the country. Clean hydrogen refers to hydrogen produced through processes that result in little to no greenhouse gas emissions, with green hydrogen being considered the cleanest form of hydrogen. "Equipment needed to convert hydrogen into ammonia, in order to transport hydrogen, may also be eligible," the government announced.

### Fujairah fuel oil stocks in June

9.37m bbls

### Fujairah fuel oil stocks in May

9.91m bbls

## Fujairah's fuel oil stocks fall to four-month low

Fujairah's residual fuel inventories have averaged 5% lower so far this month than across May, as per the latest data from the Fujairah Oil Industry Zone (FOIZ) and S&P Global.

Fujairah's fuel oil inventories have remained below 10 million bbls for the second consecutive month and are at their lowest monthly level since February.

According to cargo tracker Vortexa, the UAE port has imported 240,000 b/d of fuel oil so far this month, down by 38% from 388,000 b/d imported in May. Nearly two-thirds of the total imports this month have arrived from the nearby Iran (38%) and Iraq (34%).

In the same time period, the port's fuel oil exports have come down by 28% from 270,000 b/d exported in May, to 195,000 b/d so far this month. The bulk of fuel oil cargoes have departed for Singapore (39%), followed by Malaysia (14%) and South Korea (12%).

Prompt availability is tight in Fujairah, with most suppliers recommending lead times of 5-7 days for all grades.

## Weekly Brent developments

Front-month Brent is set to **gain 1%** on the week, as growing tensions in the Middle East and eastern Europe have elevated concerns about supply disruptions in the global oil market.

### Upward pressure:

Iran-aligned Houthi militants, who have been targeting commercial ships since last year, have so far drowned two vessels and seized one with incessant airstrikes. These attacks, coupled with growing tensions between Israel and the Lebanon-based Hezbollah militia, have hindered ship movements in the Red Sea and triggered supply concerns, analysts said.

Ukraine's latest round of airstrikes on Russian energy infrastructure have heightened supply concerns in eastern Europe. "The market remains underpinned by supply side issues," ANZ Bank's senior commodity strategist Daniel Hynes said.

### Downward pressure:

Commercial US crude oil stocks rose by 3.59 million bbls to 461 million bbls in the week ending 21 June, the US Energy Information Administration data shows. The stronger-than-projected build was "unexpectedly bearish," according to VANDA Insights' analyst Vandana Hari. Oil investors are now waiting for US Consumer Price Index data for June to get some clarity about inflation growth in the country.

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