

Weekly Market News

15th-19th July 2024

Integr8 Research's Steve Christy has put speculative crude market positions under the spotlight

Speculators have gone from one extreme to the other

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UPDATE



Van-Oil starts bunker supply in Peru's Chancay port

Bunker supplier Van-Oil Group (VOOIL) recently delivered undisclosed volumes of **VLSFO** and **MGO** at the newly built **Chancay port** in Peru. VOOIL's bunker barge, Antu, supplied the fuel grades to the heavy load carrier Zhen Hua 23, which was transporting gantry cranes for the port. This operation marked the first bunkering activity in the port of Chancay, which is being developed by the Chinese state-owned company COSCO Shipping.

The port is 84% completely built and it is expected to commence operations by the end of 2024, VOOIL's commercial manager Lianne Weijters said. Last year, VOOIL began supplying LSMGO and VLSFO in the Peruvian ports of Pisco, San Nicolas and Matarani.

Petrobras to sell B24 bio-bunkers in Brazil

Brazilian petroleum firm and bunker supplier Petrobras has received an approval from the Brazilian government to sell B24 biofuel blends in Brazil. Petrobras announced that it will offer a **VLSFO-B24 blend** in Brazil, which consists of 76% VLSFO blended with 24% bio-components. The company has been certified by the International Sustainability & Carbon Certification (ISCC), a global certification system that sets standards for the sustainable production, sourcing and trade of various bio-based feedstocks and biofuels.

Last year, Petrobras conducted trials on vessels with B24 blend derived from soybeans and tallow. The Brazilian government's National Agency of Petroleum, Natural Gas and Biofuels granted approval after these trials successfully assessed the "fuel's performance in filters and purification systems," Petrobras said.

Ceuta bunkering delayed amid dredging works

Dredging operations in the port area have caused intermittent delays to bunkering in Ceuta over the past two weeks. One of the two bunker suppliers in the port experienced delays of **4-5 hours** on Wednesday and Thursday, said shipping agent Jose Salama & Co.

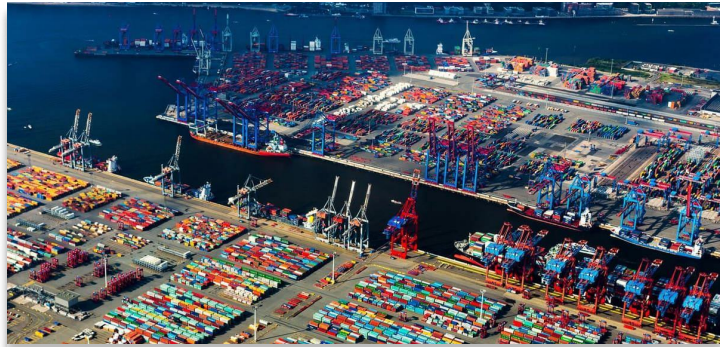
Dredging work is being carried out on the west side of the port, where a supplier's terminal is located. This has caused bunker loading delays for the supplier, the shipping agent explained. However, the situation was expected to ease from Thursday evening. The dredging has been done to **increase vessel draft limits**. Ceuta was slightly congested on Thursday morning, with two vessels waiting to berth, according to the shipping agent. 10 vessels were scheduled to arrive for bunkers in Ceuta on Thursday, up from nine on Wednesday.

Second green methanol-powered vessel in Europe

Singapore-based shipping firm X-Press Feeders has deployed a ship it says runs on green methanol to sail between European ports. The ship was launched in August 2023 and will now run on **green methanol** between a set of northern European ports.

This development follows only a few months after the first green methanol-powered feeder vessel, Laura Maersk, was deployed in Europe.

X-Press Feeders announced last December that the ship, which is called Eco Maestro, would be fuelled by bio-methanol and that it had signed an **offtake agreement** with Dutch methanol producer OCI Global to purchase bio-methanol for its upcoming fleet of methanol-powered vessels. The Eco Maestro is the first of **14 dual-fuel methanol-capable** vessels that it has on order. These ships will in a feeder network that spans Rotterdam and six of its partner ports: Antwerp-Bruges, Helsinki, Tallinn, HaminaKotka, Klaipeda and Riga.



Mabanaft to develop ammonia import terminal in Hamburg

Hamburg-based energy firm Mabanaft plans to build an **ammonia import terminal** at its existing tank storage terminal in Blumensand in the Port of Hamburg, Germany. The import terminal is set to commence operations in 2027. It will make ammonia available as a marine fuel and for further processing into hydrogen. Mabanaft has not specified how much storage capacity there will be or whether the ammonia stored will be green, blue or grey.



Lhyfe and Elyse Energy partner to produce e-methanol in France

French renewable hydrogen producer Lhyfe has partnered with Elyse Energy to produce e-methanol from green hydrogen in the French port of **Nantes Saint-Nazaire** to cater to potential demand from the shipping sector. As part of the project, Lhyfe will construct a green hydrogen facility with an electrolysis capacity of 210 megawatts (MW) in Montoir-de-Bretagne. The facility is set to begin operations by 2028 and will produce 85 mt/day of green hydrogen.

Panama bunker sales in June

386,000 mt

Panama bunker sales in May

398,000 mt

Panama bunker sales dropped as ship stemmed less

Panama's total bunker sales **dropped by 3%** in June, despite more vessels arriving for bunkers. Bunker calls rose from 480 in May to 516 in June – the highest since November 2023. Bunker sales fell because ships picked up smaller stems. The average stem size was 750 mt in June, down from 830 mt in May, preliminary figures from the Panama Maritime Authority show. VLSFO sales dropped by 4% on the month and HSFO sales dropped by 8%. LSMGO sales gained by 8% to their highest monthly level since December 2023.

One barge was added in Panama, bringing the total count to 29 barges in June.

After months of tightening restrictions due to declining water levels in its reservoirs, the Panama Canal Authority (ACP) now allows more daily transits.

Panama's total bunker sales for the first six months of 2024 were about 8% lower compared to the same period last year. Bunker fuel availability remained good in Panamanian ports last month. Lead times were around 5-7 days for all fuel grades, a source said.

Weekly Brent developments

Front-month Brent is trading **flat** on its close last week, as a sharp draw in US crude stocks was only partly offset by oil concerns over slow oil demand growth in China.

Upward pressure:

Commercial US crude oil stocks dropped by 4.87 million bbls to 440 million bbls in the week ending 12 July - the lowest level since February, according to the US Energy Information Administration. The data showed an “unexpected plunge” in US crude stocks, VANDA Insights' founder and analyst Vandana Hari remarked.

Russia plans to eventually cut output to compensate for the extra crude produced above its quota this year. The OPEC+ producer is expected to submit a compensation plan to the OPEC secretariat soon, said ANZ Bank's senior commodity strategist Daniel Hynes.

Downward pressure:

Declining economic activity in China has raised concerns about oil demand growth in the country. China's gross domestic product (GDP) grew by 4.7% in the second quarter of this year, down from the 5.3% growth recorded in the previous quarter. “Given that China is expected to make up the majority of oil demand growth this year, it is not surprising [that] signs of weakness in Chinese demand are a concern,” two analysts from ING Bank noted.

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