

# Weekly Market News

23rd - 27th September 2024

**While the price of crude is at a 3-year low, Singapore's VLSFO price bucks the trend**

Find out why in Steve Christy's latest analysis

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## LSMGO tightens in ARA amid barge loading delays

Most suppliers are unable to offer LSMGO for prompt deliveries in the ARA, as their barges have been held up for days waiting to load product at oil terminals, a trader said.

The congestion is a result of **more bunker barges** in the ARA in recent months than before, a local source told ENGINE. This has resulted in extreme tightness in prompt LSMGO availability in Rotterdam and in the wider ARA hub, three sources said. It remains unclear when these loading delays will ease, but if they persist for an extended period, LSMGO prices are likely to rise in the ARA, a source said. LSMGO lead times have doubled from 3-5 days last week to 7-10 days now, a source said. HSFO and VLSFO supply is normal in the ARA.

## TankMatch and Evos partner on methanol bunkering

Dutch barge operator TankMatch has teamed up with liquid bulk storage firm Evos to boost **methanol bunkering** across the ARA hub. Under the partnership, Evos plans to expand its terminal storage capacity in **Rotterdam**. Expansion work will include adding five new tanks, each with a total storage capacity of 13,500 cbm. A dedicated berth will also be constructed in the port.

The new berth will accommodate bunker barges up to 135 meters in length and be equipped to pump methanol at speeds of up to 750 cbm/hour.

There will be an option for co-mingled or segregated storage, based on quality and biogenic content. The companies have not specified when the methanol storage facility will become operational.

## Port of Tallinn inks deal for e-fuels production

The Estonian port of Tallinn has inked a deal with US-based metals and chemical producer Protio to produce **e-methanol** and potentially **e-LNG** for bunkering in Muuga Harbour, the port's main cargo harbour.

E-methanol, or synthetic methanol, is made using 100% biogenic carbon dioxide (CO<sub>2</sub>) and green hydrogen.

However, the duo has not yet revealed the production capacity and timeline of the project.

The Port of Tallinn aims to achieve zero emissions from docked ships by 2050.

Expanding the availability of alternative fuels will help make shipping more environmentally friendly and lower ports' carbon footprints, Port of Tallinn's chief executive Valdo Kalm said.

## IMO committee finalises ammonia guidelines

IMO's Sub-Committee on Carriage of Cargoes and Containers (CCC) has finalised interim guidelines for the use of **ammonia as a marine fuel**, said Gianpaolo Benedetti, principal advisor at the Society for Gas as a Marine Fuel (SGMF) said. SGMF helped draft the guidelines.

The guidelines specify ammonia concentration thresholds at 25 ppm for enclosed spaces and 110 ppm for secondary enclosures in case of gas leakage. Ammonia concentrations exceeding 220 ppm should trigger alarms and automatic shutdowns of systems on ships.

These specifications align with suggestions from the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, the Royal Institution of Naval Architects and multiple classification societies.

The IMO's interim ammonia guidelines also distinguish between "toxic areas" located on open decks and "toxic spaces" found within the ship's structural boundaries, Benedetti wrote.



## Repsol supplied bio-LNG in Santander

Spanish energy firm Repsol recently supplied **bio-LNG** to two dual-fuel vessels operated by French shipping firm **Brittany Ferries** in a trial operation. A total of 60 mt of bio-LNG was supplied to the two ships in the LNG bunkering terminal in Spain's Port of Santander. The bio-LNG was sourced from a Spanish facility located in As Somozas in the northern Galicia region. It was produced using bio-waste from the agri-food industry and sewage sludge.



## Container liners call for IMO consensus on GHG measures

IMO member states should agree on a global fuel standard and a pricing mechanism as **mid-term measures** to bridge the price gap between conventional and alternative fuels, a group of container liners have said. This will help "to level the playing field between fossil and zero and near-zero GHG marine fuels," they said in a joint message to the UN General Assembly this week. They urge the IMO to adopt these measures as planned by next year.

### Fujairah fuel oil stocks in September

9.04m bbls

### Fujairah fuel oil stocks in August

8.64m bbls

## Fujairah's fuel oil inventories rise by 5% this month

Fujairah's fuel oil stocks have averaged 5% **higher** so far this month than across August, Fujairah Oil Industry Zone (FOIZ) and S&P Global data shows.

Fujairah has imported 347,000 b/d of fuel oil so far this month, down by 43,000 b/d from 390,000 b/d imported in August, according to data from cargo tracker Vortexa. Meanwhile, fuel oil exports from the port have increased by 45,000 b/d to touch 334,000 b/d this month.

About a third of the port's total imports have come from Iraq this month, followed by Russia (20%) and Kuwait (19%). Most fuel oil exports from Fujairah have gone to Singapore (30%), Egypt (17%) and South Korea (11%).

The port's middle distillate stocks have grown to average 14% more b/d than last month. Despite sluggish bunker demand, fuel availability remains "super tight" in Fujairah, with most suppliers recommending lead times of 7-10 days for all fuel types. However, some suppliers are still offering prompt deliveries.

## Weekly Brent developments

Front-month Brent is set to **fall by 3%** on the week as the recently announced economic stimulus by China failed to boost oil prices.

### Downward pressure:

China's central bank on Tuesday announced its largest stimulus package in four years, including a cut in reserve requirement ratio by 50 basis points to boost liquidity and economic growth in the country. However, oil market analysts consider these steps insufficient to bolster demand growth. "Weak [Chinese] economic backdrop remains a concern," for the global oil market, ANZ Bank's senior commodity strategist Daniel Hynes said.

Libyan oil supply disruptions are expected to ease soon as delegates from rival administrations have decided to appoint new leaders for the country's central bank, the only globally acknowledged depository of its oil revenues.

### Upward pressure:

Brent has drawn some support after OPEC projected global oil demand to surge by 10.1 million b/d between 2023 and 2029, when it could reach 112.3 million b/d.

US commercial crude oil stocks dropped by 4.47 million bbls to 413 million bbls on 20 September, according to the US Energy Information Administration (EIA).

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