

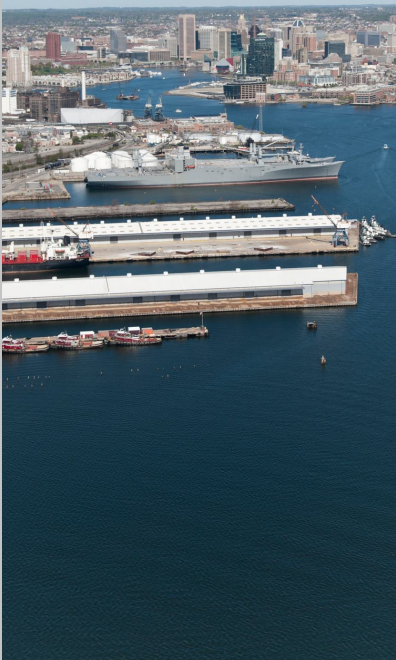
Weekly Market News

30th September - 4th October 2024

Integr8 Research's Steve Christy breaks down VLSFO prices in top ports to show

How Singapore's benchmark has resisted a broader market drop

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UPDATE



Raízen expands bunker operations off Itaquí

Brazilian energy company Raízen has launched new **bunker operations** at Itaquí Outer Anchorage, supplying VLSFO and LSMGO. Raízen is targeting bunker demand from coastal and ocean-going vessels.

It said that shipowners bunkering **off port limits (OPL)** can avoid paying full port call fees. They can also potentially minimise their deviations to other bunkering ports, Raízen's bunker sales coordinator Paula Georgopoulos Tinoco said. Raízen's bunkering network spans several Brazilian ports, including Belém, Vila do Conde, Salvador and Rio Grande. It started physical supply of VLSFO in northern Brazilian ports in April this year.

Walvis Bay seeing some spillover demand from Angola

A bunker supplier **suspended VLSFO supply** in Angola's Luanda in August, a source told ENGINE. The supplier has yet to provide an update on when supply will restart in Luanda. Meanwhile, LSMGO is readily available for bunkering by barge, the source said.

The VLSFO supply halt in Luanda has led to increased demand off Namibia's Walvis Bay. "There has been some spillover demand from Angola to Namibia following the situation in Luanda," Monjasa trading manager Simone Piredda said.

This increased demand has yet to make an impact on lead times in Walvis Bay, Piredda confirmed, adding that Walvis Bay is witnessing high regional bunker demand and vessel traffic. Bunker fuel availability is decent there, Piredda added.

Monjasa currently has three bunker tankers off Walvis Bay to meet demand.

Bunker suppliers expect ripple effects from US ports strike

Dockworkers at 36 ports across the US East and Gulf Coasts started their **first major strike** in nearly 50 years on Tuesday, raising concerns about potential supply chain disruptions. While the strike directly affects container and cargo operations, sources warned that bunkering services may also face indirect delays if barge movements are hindered.

Stone Oil's chief operating officer Anthony Odak told ENGINE, "we haven't seen an impact on port reserves yet, but we're anticipating disruption."

Prolonged congestion at the ports could also affect availability of bunker fuels. Although oil and gas shipments are handled through separate operational facilities, disruptions in containerised cargo movements could tighten fuel oil supply chains.

GHG targets cannot be met by alternative fuels alone - IMO

The International Maritime Organisation's (IMO) 2030 greenhouse gas (GHG) reduction target will not be met with just alternative fuels, IMO Secretary-General Arsenio Dominguez told ENGINE this week. Dominguez stressed the GHG-cutting potential of **operational measures** like switching to LED lights on ships and using digital technologies to sail more efficiently.

"Right now, the main focus is 2030, and 2030 is not achievable only with alternative fuels and that is something that needs to be highlighted. Alternative fuels will take us into the 2040s and 2050s, but the technical and operational measures that have been put in place can and will take us to the 2030 goals, together with the implementation of the mid-term measures from 2027," he told ENGINE at the IMO's headquarter in London.

Dominguez referred to the IMO's target to cut GHG emissions from international shipping by **20%, striving for 30%**, by 2030 compared to 2008.



Yara starts ammonia import terminal in Germany

Norwegian chemical company Yara International has opened a second ammonia import terminal in Germany, this time in **Brunsbüttel**. The new terminal can import up to **3 million mt/year** of ammonia. The ammonia can be used in making fertilisers and as a marine fuel, Yara said. It can be delivered directly from the terminal to its point of use, where it can also be converted into low-emission hydrogen.



Dutch biofuel rebate rises to 6-month high

Dutch HBE ticket prices are now at their highest since April. Bunker suppliers selling advanced biofuels in the Netherlands will generate these tickets, which hold value because they are tradable in a market. When ticket prices are high that should theoretically translate to bigger **potential rebates** for biofuel bunkers in Dutch ports like Rotterdam, where the theoretical HBE rebate for a B30-VLSFO blend has reached **\$90/mt**.

Methanol-capable ships in September 2024

356

Methanol-capable ships in September 2023

216

September a 'slow month' for dual-fuel vessel orders

Nine **LNG-capable** and eight **methanol-capable** vessels were ordered in September, according to DNV. This follows a total of 108 orders for LNG-capable vessels and 49 for methanol-capable vessels in the past two months, said Kristian Hammer, a senior consultant at DNV. "A slow month for alternative-fuelled vessels in September, but we continue to be encouraged by the big picture," Hammer wrote in a social media post. The "big picture" shows that there are now 607 LNG-capable ships in operation and another 565 on order for delivery scheduled through to 2033. For methanol, the numbers are lower, with 43 methanol-capable ships in operation and another 313 on order for delivery by 2029. LNG is more widely used as an alternative fuel than methanol. Green methanol supply is scarce. Grey methanol, produced from natural gas, is not an ideal alternative bunker fuel since its well-to-wake (WtW) emissions are higher than those of VLSFO or LNG. Other alternative fuels under consideration include liquid petroleum gas (LPG) and ammonia.

Weekly Brent developments

Front-month Brent is set to **jump 8% higher** on the week as conflicts have escalated in the Middle East, which has heightened fears of oil supply disruptions.

Upward pressure:

Brent's price surpassed \$75/bbl this week after Iran launched over 180 ballistic missiles towards Israel on Tuesday. The Iranian attack came just days after Israeli military actions in Beirut, which resulted in the deaths of senior Hezbollah leader Hassan Nasrallah and other prominent leaders of the Iran-aligned militant group.

"Broader markets, including oil, continue to wait and see how Israel responds to Iran's recent missile attack," two analysts from ING Bank said. "There are suggestions that Iranian oil infrastructure could potentially be targeted," they added.

Downward pressure:

Brent felt some downward pressure due to demand growth concerns from China and growing US crude stocks. China's Manufacturing PMI reading reached 49.8% in September, up from 49.1% in August. It showed a slight improvement in September, but remained below analysts' expectations. US commercial crude oil stocks increased by 3.89 million bbls to 417 million bbls on 27 September, according to the US Energy Information Administration (EIA).

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