

Weekly Market News

7th - 11th October 2024

Integr8 Research's latest on how

Singapore's VLSFO price has bucked the trend and risen to price premiums over crude and other fuels

READ
UPDATE



Minerva acquires Bomin's physical operations

Through this acquisition bunker supplier Minerva has expanded its physical presence in the US and across the Americas. "This strategic move enhances our supply network, including key ports such as **Houston, Norfolk, Panama, and Ecuador,**" Minerva said in a LinkedIn post. In the past three months, Bomin has supplied VLSFO and LSMGO in key US ports including Beaumont, Freeport, Houston, Galveston, Texas City, Lake Charles, Norfolk, Port Arthur, Port Bolivar and Portsmouth, according to fuel quality data. At least two bunker barges have been used to deliver stems in Houston, the data shows. Minerva has acquired Bomin from the energy firm Mabanaf.

Bunker One enters physical LNG bunker market

Denmark-based bunker supplier Bunker One will launch physical **LNG bunkering operations** in Northwest Europe from January next year. The company plans to deliver LNG and mass-balanced liquid biomethane (LBM) at "key ports" in Northwest Europe. The physical supply will be managed through its new arm, Bunker One LNG. While the specific ports have not yet been disclosed, Bunker One LNG is currently working to secure LNG bunker permits for the chosen ports. For its bunkering operations, Bunker One LNG has chartered the 10,000-cbm LNG bunker vessel Coral Fraseri from Dutch shipping firm Anthony Veder. "The vessel will undergo a regular class renewal at the end of 2024, during which several modifications will be carried out to enhance her capabilities as an LNG bunker vessel," Michael Behmerburg, managing director of Bunker One LNG said.

Peninsula expands physical supply operations in the UAE

Global marine fuel supplier Peninsula has announced **physical supply** operations in the UAE ports of **Abu Dhabi and Jebel Ali**. Peninsula will supply the three main bunker fuel grades - VLSFO, LSMGO and HSFO - in these two ports. Bunker deliveries will be made via barge and at anchorage, a Peninsula representative told ENGINE. However, the company has not yet disclosed how many barges will be deployed, or the start date for operations. This expansion extends the Peninsula's "physical supply network across the Mediterranean and Suez and reflects our commitment to meeting our customers' needs at a global level," its chief executive John A. Bassadone said. Peninsula already supplies bunker fuels in Fujairah and at other UAE locations such as the Dubai anchorage, Dubai Harbour, Sharjah Port and Khor Fakkan.

IMO failed to ban scrubbers in the Arctic - non-profits

The Clean Arctic Alliance has said that the IMO is "postponing" any decision on **banning scrubber use** in the Arctic region. The IMO adopted a draft resolution last week, designating the Canadian Arctic and the Norwegian Sea as Emission Control Areas (ECAs). These two sulphur ECA zones will come into effect on 1 March 2027. The Clean Arctic Alliance, which is made up of 23 non-profits, has welcomed the IMO's decision to introduce ECAs, but it is critical of the IMO postponing discussions on regulating Arctic scrubber use until 2025. This comes despite the global scientific community pointing out that the Arctic is acidifying at a faster rate than the global ocean, the alliance said. "The IMO's lack of action on scrubbers is frustrating," said advisor Eelco Leemans. Ships passing through other already established ECAs usually burn marine fuels with a sulphur content of less than 0.10%, such as LSMGO or ULSFO, or use HSFO in combination with scrubbers.



UK urged to step up with more funds for shipping decarbonisation

The UK government should allocate £700 million (\$916 million) in the upcoming budget to help its shipping sector achieve **net-zero emissions** by 2050, the UK Chamber of Shipping has proposed. It has recommended an allocation of £343 million (\$449 million) over five years to the UK Shipping Office to fund research and development of net-zero technologies. And for £200 million (\$262 million) to be earmarked for 10 shore power projects in the UK.

Country positions on economic mechanism

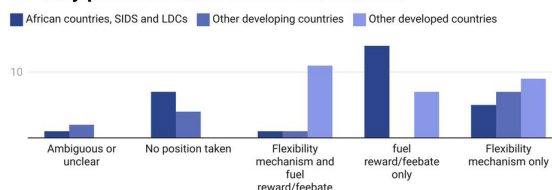


Chart: Konica Bhatt • Source: UCL Institute • Created with Datawrapper



All policy options ‘still on the table’ at the IMO – UCL

39 countries supported a universal **greenhouse gas (GHG) levy**, while 15 opposed it at the IMO meeting in London last week, according to a research from University College London (UCL). Island nations and least developed countries have proposed a fixed GHG levy of **\$150/mtCO₂e**. Despite the strong backing for this measure, no decision “was reached on whether this component would be included in the final strategy,” UCL noted.

ARA fuel oil stocks in September

8.18m bbls

ARA fuel oil stocks in August

8.61m bbls

ARA fuel oil stocks dropped 5% in September

The ARA’s independently held fuel oil stocks averaged **5% lower** in September than across August, according to Insights Global data.

The region imported 229,000 b/d of fuel oil in September, a moderate increase from 223,000 b/d imported in August, according to data from cargo tracker Vortexa.

The US emerged as the ARA’s biggest fuel oil import source in September, accounting for 15% of its imports. The UK came second, accounting for 14% of the ARA’s total imports, followed by the Bahamas (11%), Poland, Brazil and Germany (9% each).

The ARA hub exported 250,000 b/d of fuel oil in September, registering a sharp rise from 143,000 b/d of fuel oil exported in August.

The ARA hub’s independent gasoil inventories - which include diesel and heating oil - increased by 12% in September. The region imported 291,000 b/d of gasoil in September, down from 355,000 b/d of gasoil imported in August, according to Vortexa data.

Weekly Brent developments

Front-month Brent is heading for a **1% drop** on the week after the US Energy Information Administration (EIA) reported a build in US crude stocks.

Downward pressure:

Commercial crude oil inventories in the US increased by 5.81 million bbls to touch 423 million bbls on 4 October, according to the EIA data. The EIA oil inventory report “was bearish for the oil market,” ING Bank’s analysts said.

China’s National Development and Reforms Commission (NDRC) did not announce any new supportive measures for the country’s economic growth, at a recent press conference. Oil prices came under pressure “as the disappointment over a lack of new stimulus measures in China weighed on sentiment,” ANZ Bank senior commodity strategist Daniel Hynes remarked.

Upward pressure:

Oil market analysts have expressed concerns about a potential Israeli attack on Iran, which could escalate tensions in the Middle East. Although US President Joe Biden has discouraged the Israel Defense Forces from targeting Tehran’s oil facilities, “there is growing concern that Israel’s allies [like the US] have little influence on its strategy,” ANZ Bank’s Hynes said. On Monday, the Iran-backed Hezbollah militant group fired multiple rockets on Israel’s Haifa city.

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