

Weekly Market News

25th-29th November 2024

Wild ride for oil prices—Biden, Trump and what comes next

Integr8 Research's Steve Christy says Trump 2.0 could increase bunker price volatility

READ
UPDATE



Lowered Paraná River draft limits cause bunkering challenges

Draft limits on Argentina's Paraná River have been reduced, creating logistical **challenges** for shippers and **bunker suppliers**. Current limits at terminals above Quebracho have been lowered by 10 centimeters, and by 15 centimeters for certain terminals in San Nicolás. According to a draft forecast from Antares Ship Agents, more restrictions are anticipated in December and January, with conservative forecasts estimating draft limits of 9.7 metres in San Lorenzo and Rosario, and 9.8 metres outbound from San Nicolás. These restrictions are driven by low seasonal water levels in the river. "Draft restrictions are a logistical headache," a source said. "Vessels may need to bunker further downstream, increasing costs and causing delays."

ADNOC takes delivery of first dual-fuel LNG ship

ADNOC Logistics and Services (ADNOC L&S), a unit of the UAE state-owned oil company Abu Dhabi National Oil Company, has taken delivery of the first of **six dual-fuel LNG-capable** gas carriers being built by China's Jiangnan Shipyard. The 175,000 cbm-capacity gas carrier, Al Shelila, can run on both LNG and conventional marine fuels. It was delivered two months ahead of schedule, and delivery of the five other vessels in this series is expected in 2025 and 2026. In October, AW Shipping - a joint venture between ADNOC L&S and China's Wanhua Chemical - ordered two dual-fuel LPG-capable very large ammonia carriers (VLACs) from Jiangnan Shipyard. These vessels are expected to be delivered between 2027 and 2028. Earlier, in July, AW Shipping placed an order with the same shipyard for nine dual-fuel ethane-capable very large ethane carriers (VLECs) and two other dual-fuel LPG-capable VLACs.

CIP to develop ammonia-capable vessels for bunkering

Danish investment firm Copenhagen Infrastructure Partners (CIP) aims to develop a range of **ammonia-capable vessels**, from smaller to larger capacities. These vessels will support ammonia transportation and ship-to-ship bunkering. CIP has partnered with Norway's Færder Tankers to develop a 50,000-cbm capacity ammonia carrier designed for ship-to-ship bunkering, with delivery expected in the second half of 2028. It has also teamed up with Singapore's BW Epic Kosan to develop smaller ammonia carriers equipped with dual-fuel ammonia engines and bunkering capabilities. BW Epic Kosan will time-charter several of these carriers, though deployment timelines remain unspecified. Additionally, CIP is in advanced discussions with other shipping firms to develop very large ammonia carriers.

BIMCO adopts FuelEU Maritime clause for charter parties

Global shipping association BIMCO has rolled out its new FuelEU Maritime clause for charter agreements. FuelEU Maritime will require a 2% reduction in the GHG intensity of energy consumed onboard ships sailing between two EU ports from 1 January. This reduction target will gradually be hiked to 80% by 2050 and is compared to 2020 levels. Under the new clause, the entity **responsible** for compliance with FuelEU Maritime in time-charter agreements is the **shipowner**. However, in practice, "it may be a third-party shipmanager who has agreed to take over all the duties and responsibilities imposed by the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM)," BIMCO said. The ISM code aims to boost maritime safety and prevent pollution from ships. BIMCO is now working to develop another clause for ship management agreements.





Tsuneishi Shipbuilding launches dual-fuel methanol bulk carrier

Japanese shipbuilder Tsuneishi Shipbuilding has launched a **dual-fuel methanol** ultramax vessel. The 65,700 dwt bulk carrier can run on both methanol and conventional marine fuels. It is the world's first such dual-fuel methanol ultramax vessel, the company claims. Using methanol as fuel will allow the vessel to cut its nitrogen oxide emissions by up to 80%, sulphur oxide emissions by up to 99%, and CO2 emissions by up to 10% compared to heavy fuel oil, it adds.



Norway and Brazil plan to establish green shipping routes

Norway and Brazil have agreed to establish a transatlantic corridor to promote **green shipping**. The two nations have initiated a pilot project involving key shipping industry partners on both sides of the Atlantic to identify suitable routes and ports and develop alternative fuels. Over the coming year, specific routes for climate-friendly shipping will be evaluated. Norway and Brazil aim to present one or more viable options at COP30 in Brazil in 2025.

Fujairah bunker sales in October

626,000 mt

Fujairah bunker sales in September

605,000 mt

Fujairah bunker sales grew 3% in October

Increased sales of HSFO contributed to lift Fujairah's total bunker sales higher in October than in September, according to data compiled by Fujairah Oil Industry Zone (FOIZ) and S&P Global Commodity Insights.

HSFO sales rose by a sharp 54,000 mt in October to reach 199,000 mt - **the highest level since January**. This translates to approximately 6,400 mt/day, a significant increase from the 4,800 mt/day sold in September.

Sales of VLSFO, the most in-demand product, dropped by 8%. LSMGO sales saw a modest 2% rise, reaching around 24,000 mt. Overall, the port's total bunker sales for October were up 3% compared to the same month last year.

Prompt availability of all bunker fuel grades is currently tight in Fujairah, with lead times of around 5-7 days, consistent with last week. Suppliers in Khor Fakkan are also recommending lead times of 5-7 days for all grades.

Weekly Brent developments

Front-month Brent is set to **decline 2%** on the week as concerns over supply disruptions in the Middle East eased following a ceasefire deal between Israel and the Iran-backed Hezbollah.

Downward pressure:

US President Joe Biden announced a ceasefire agreement between Israel and the armed Hezbollah group. The deal, brokered by the US and France, has eased some supply concerns in the Middle East. "As expected, Israel and Hezbollah announced a 60-day ceasefire agreement and plans to discuss a longer-lasting peace agreement," two analysts from ING Bank said.

Upward pressure:

OPEC+ is scheduled to meet on 5 December. Oil analysts expect the group to push back the output increase it initially planned for January, and maintain current supply cuts.

"OPEC+ is expected to delay increasing production to address potential oversupply concerns next year," analysts from Saxo Bank said.

US President-elect Donald Trump announced this week that he would impose a 25% tariff on all imports from Mexico and Canada after taking office. This move "could make crude oil and natural gas expensive in the US as Canada is one of the major suppliers of energy products," ING Bank analysts said.

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