

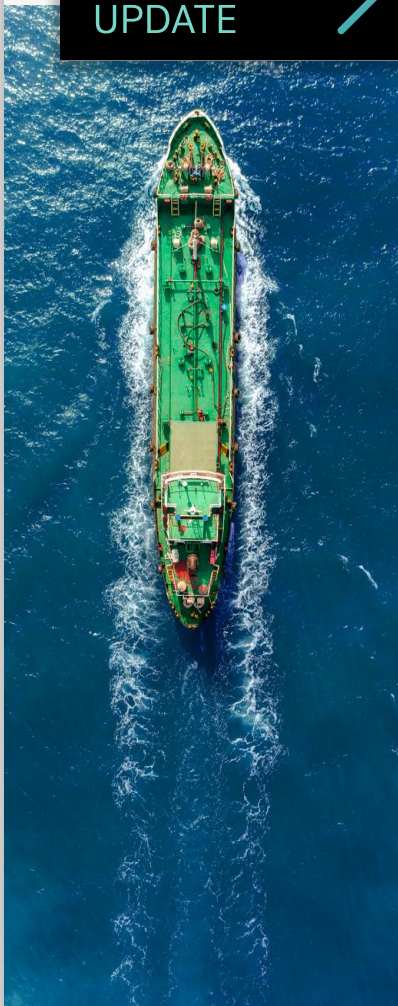
# Weekly Market News

28th October - 1st November 2024

## Hot off the press

The IEA forecasts a new and bigger bunker market, Integr8 Research's Steve Christy says

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## Dual-fuel orders rising, but offtakes matter more – Methanex

Alternative fuel producers are unlikely to commit to large-scale investments without regulatory support, fuel production incentives and **long-term purchase agreements**, Methanex' Denise Abudinén [told ENGINE](#). There are 43 methanol-capable ships in operation today, with another 313 on order for delivery by 2029, according to classification society DNV.

"While the number of vessel orders alone doesn't fully capture the market's readiness to adopt alternative fuels, they do provide a signal of the industry's intent to transition away from conventional fuels," Abudinén said. She also highlighted the importance of pilot projects in promoting the use of alternative fuels. These projects provide "tangible evidence" to regulators.

## UECC orders four more dual-fuel LNG ships

Norwegian vehicle carrier company United European Car Carriers (UECC) has ordered four dual-fuel LNG ships. The vehicle carriers will be battery-hybrid and built by China Merchants in Jinling Shipyard in Nanjing, China, UECC said. The first two vessels are scheduled for delivery in 2028, with options for two more vessels in the future. The vessels will join UECC's existing **fleet of five LNG-capable pure car and truck carriers**. With a cargo capacity of 4,500 car-equivalent units, they will be able to connect to shore power and have solar panels on the top decks. The vessels will be deployed in UECC's short-sea shipping liner network in Europe. They will transport vehicles, and other heavy rolling cargoes, UECC said.

Last month, UECC announced that Toyota, Ford and a third car manufacturer will buy emission reductions generated when its vessels run on either liquid biomethane or biofuels.

## AES to launch LNG bunkering in Panama from March 2025

US power company AES is set to launch LNG bunkering operations in Panama through its new bunkering division **Panam LNG Bunkering**. This initiative will be undertaken in collaboration with Canadian shipping firm **Seaspan Energy**.

Panam LNG will deploy the Seaspan Garibaldi, a 7,600-cbm LNG bunkering vessel owned by Seaspan Energy, to carry out LNG bunkering at ports on Panama's Atlantic side.

The company plans to secure LNG bunkering slots through spot contracts for 2025.

"LNG bunkering operations are expected to take place either at a local terminal (SimOps) or at a designated LNG bunkering anchorage specified by the Panama Canal Authority (ACP) or the Panama Maritime Authority (AMP)," AES said.

## Developing nations urged to make decarbonisation plans

Developing countries need to link alternative fuel supply targets and investments with the shipping sector, according to experts at a joint conference conducted by the IMO, the UN Environment Programme (UNEP) and Norway Innovation Forum.

Maritime specialists outlined measures to support developing nations in achieving net-zero shipping by 2050 during the IMO-UNEP-Norway Innovation Forum event. They recommended that these countries should **establish national goals** to reduce domestic shipping emissions, aligning them with the IMO's 2023 GHG strategy to facilitate the transition to net-zero emissions in their respective shipping industries.

The need for cross-sectoral collaboration and tailored funding models was also highlighted, particularly for island nations, where many small vessel owners operate only one or two vessels.



## Bunker supply unaffected by oil spill in Singapore

The Maritime and Port Authority of Singapore (MPA) reported an oil spill incident that occurred off Changi during a bunkering operation between a bulk carrier and a licensed bunker tanker on Monday. Around **5 mt of oil** reportedly overflowed from the receiving bulk carrier Ines Corrado. The bunker delivery was halted immediately, and MPA vessels arrived to spray dispersants to maintain the spill while alerting relevant government agencies.



## Monjasa expands physical operations off US Gulf Coast

Global bunker supplier Monjasa has announced it will start offering VLSFO and LSMGO grades off the US Gulf Coast. Monjasa has been supplying these grades in Houston for the last five years. It will **target demand from large vessels** - including oil, chemical and gas tankers - that cannot access bunkering locations in the Houston Ship Channel, but rather in the Galveston Offshore Lightering Area, Southwest Pass, South Sabine Pass and Corpus Christi Offshore.

Rotterdam HSFO sales  
in Q3 2024

907,000 mt

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## Red Sea diversions push Rotterdam's HSFO sales higher

Ships have been taking bigger HSFO stems in the Port of Rotterdam to complete longer voyages around Africa, multiple sources told ENGINE. An ARA-based trader said several ships on these extended African routes have been taking on bigger HSFO quantities in Rotterdam. The Houthi attacks on commercial ships in the Red Sea began in November 2023, and shipping firms started rerouting vessels around mid-December. Commercial vessels avoided the Suez Canal transits and opted instead for the longer route around the Cape of Good Hope. HSFO prices in Rotterdam were among the lowest globally over the past few months, while tight supplies drove prices up in Singapore and Fujairah. This price advantage resulted in a significant uptick in vessels bunkering HSFO in Rotterdam, another trader said. The strong HSFO sales figures also reflect an increase in **scrubber-fitted vessels** calling Rotterdam. The global fleet of scrubber-fitted vessels increased from 4,789 in 2022 to 5,111 in 2023. Projections indicate further growth to 5,340 ships by the end of this year,

## Weekly Brent developments

Front-month Brent has **erased the 4% gain** it made last week by making a similar drop this week. Signs of defusing tensions in the Middle East has contributed to the drop.

### Downward pressure:

Brent gains have been capped marginally amid ongoing negotiations over a ceasefire deal for the Gaza Strip. Israeli Prime Minister Benjamin Netanyahu has revealed plans to resolve the conflict in Lebanon, according to media reports.

"The plan, if agreed, would lead to a 60-day suspension of [Israel-Lebanon] hostilities while mediators craft a lasting peace deal to remove Hezbollah from the border region and bolster US peacekeepers there," ANZ Bank analyst Daniel Hynes said.

### Upward pressure:

Brent crude moved higher after the US Energy Information Administration (EIA) reported a draw in US crude stocks. Commercial crude oil inventories in the country dropped by 515,000 bbls to touch 426 million bbls for the week ending 25 October.

On the supply front, attention is likely to shift back to OPEC, which is scheduled to gradually unwind output cuts from December. Brent could get a boost as oil market analysts expect the Saudi Arabia-led group to maintain crude oil production levels and put a floor under oil.

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