

Weekly Market News

4th-8th November 2024

Integr8 Research's Steve Christy says

The IEA's long term energy report projects a new and bigger bunker market

READ
UPDATE



Chimbusco delivers first B24 bio-blend stem in Singapore

Bunker supplier Chimbusco Pan Nation (CPN) supplied a B24 biofuel blend to Taiwan's **Yang Ming Marine Transport's** container ship in Singapore. The ship, YM Witness, was bunkered with 1,000 mt of a B24 biofuel blend. The B24 blend was made up of 24% waste-based biofuel and 76% conventional marine fuel. The conventional fuel used in the blend has not been disclosed by the company. The operation marked CPN's first biofuel delivery in Singapore. Singapore overtook Rotterdam to become the biggest biofuel bunker hub in the third quarter, when it sold around 227,000 mt of bio-blended bunkers. That was 40% more than the 137,000 mt sold in Rotterdam during the same period.

Weather halts Bahamas bunkering as terminal shuts down

The Buckeye Bahamas Hub terminal suspended operations on Monday due to unfavourable weather conditions, halting off-port activities such as **bunkering** and **lightering**, the terminal operator said. Weather forecasts indicate that conditions may not improve until Friday, delaying the resumption of services.

The Buckeye Bahamas Hub, a key terminal in the region, often serves large vessels in need of refueling and transfer operations, making it an important link in the shipping chain. Bunker fuel availability remains good in Freeport, though bunkering has been paused since late last week due to bad weather conditions, according to a source. Bunker deliveries are expected to resume during calmer intervals, but suppliers anticipate potential delays over the coming days due to weather-induced disruptions.

Chevron targets bunkering with new blue ammonia deal

US oil major Chevron has secured a preliminary deal to source **blue ammonia** from Australian renewable energy firm Hexagon Energy's upcoming Western Australia facility. It will produce 600,000 mt/year of blue ammonia using steam methane reforming of natural gas, combined with carbon capture and storage. Production is expected to start by 2030. Chevron will receive 33 terajoules/day of blue ammonia gas over a 10-year period, with an option to extend the supply by another five years. This deal reflects "growing confidence" in Australia's clean ammonia industry and its potential to **support bunkering** and other markets, noted Hexagon chairman Charles Whitfield. Earlier this year, Hexagon Energy signed an agreement with Oceania Marine Energy to explore blue ammonia bunkering in Australia.

ECSA and T&E want green fuels in Clean Industrial Deal

The European Community Shipowners' Associations (ECSA) and nonprofit Transport & Environment (T&E) have urged European leaders to include shipping in the Clean Industrial Deal, saying it can boost European capacity to produce green fuels to meet net-zero targets. The duo cited data from the Draghi Report released last month, which noted that shipping is a tough sector to decarbonise due to a lack of financial resources.

For this, the European shipping industry will need **€40 billion/year (\$43 billion/year) in investments** between 2031 and 2050, the report said. To overcome this investment gap, the EU should use funds from the EU Innovation Fund, as well as revenue generated from ships complying with the EU Emissions Trading System (EU ETS). They have also sought policies to establish dedicated supply requirements for fuel producers in European ports. This will allow shipping easier access to green energy.



Hapag-Lloyd places \$4 billion order for 24 dual-fuel LNG ships

German shipping major Hapag-Lloyd has ordered 24 LNG-capable ships from two Chinese shipbuilders, for deliveries between 2027-2029. These ships will be equipped with dual-fuel propulsion systems, enabling them to run on **both conventional fuels and LNG**. These vessels will also be ammonia-ready, which means that while they will not initially operate on ammonia upon delivery, they can be retrofitted for ammonia propulsion in the future.



PIL orders five more dual-fuel LNG container ships

Singapore-based shipping company Pacific International Lines (PIL) has ordered **five more** 9,000-TEU dual-fuel container ships that can run on LNG and conventional marine fuels. The vessels will be built by Chinese shipbuilder Hudong-Zhonghua Shipbuilding, with deliveries expected between 2027-2028. In addition to this order, PIL's orderbook includes **five** 13,000-TEU, **four** 14,000-TEU, and **four** 8,000-TEU dual-fuel LNG container vessels.

LNG-capable ships ordered in October

66

LNG-capable ships ordered in September

9

Record orders for LNG-capable vessels in October

A record number of 66 **LNG-capable vessels** were ordered in October, compared to only nine in September, according to DNV. This is the highest number of LNG-capable vessels ordered in a single month since April 2022, Martin Christian Wold, the chief executive of DNV's bunker delivery platform Ofiniti, said in a social media post. There are currently 607 LNG-capable vessels in operation, with an additional 115 scheduled for delivery by the end of this year, according to DNV's database. A further 632 LNG-capable vessels are on order, with deliveries planned towards 2033.

Orders for **methanol-capable** vessels have also risen from eight in September, to 29 in October. There are now 43 methanol-capable vessels in operation, with 19 more scheduled for delivery by the end of this year. A total of 342 methanol-capable vessels are on order for deliveries towards 2033. The number of **ammonia-capable ships** in operation and on order remains unchanged from September, with only two in operation and 25 scheduled for delivery by 2027.

Weekly Brent developments

Front-month Brent is heading for a **3% rise** on the week as market participants factor in risks to oil supply after Republican candidate Donald Trump's US election victory.

Upward pressure:

The Trump administration could bring stringent sanctions on Iran, which could be a major blow to crude oil supply, according to market analysts. "The geopolitical landscape will also attract close attention, especially the US-Russia relations, the Russia-Ukraine war, and the Middle East, where a Trump administration may tighten sanctions on Iranian oil flows," Saxo Bank's Ole Hansen said.

Brent's price gained more support after US producers shut operations due to Hurricane Rafael. According to the US Bureau of Safety and Environmental Enforcement, about 17% of the current oil production in the US Gulf of Mexico has been halted due to the hurricane.

Downward pressure:

Brent crude felt some downward pressure after the US Energy Information Administration (EIA) reported a rise in US crude stocks. Commercial crude oil inventories grew by 2.15 million bbls to touch 428 million bbls for the week ending 1 November. US manufacturing activity contracted in October, raising concerns about limited demand growth for goods in the country.

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