

Weekly Market News

2nd - 6th December 2024

Integr8 Research's Steve Christy analyses the impact of Trump 2.0 and says

Bunker prices look volatile in the times ahead

READ
UPDATE



Vibra halts VLSFO supply in Brazilian ports

Brazilian bunker fuel supplier Vibra has announced it will stop offering VLSFO in Vila do Conde and Belém. The company said it faced **several challenges** since starting bunkering operations in Brazil and decided to end the project to focus on other opportunities.

The bunker markets in Vila do Conde and Belém remain competitive, but price pressures have made it increasingly difficult for some players to sustain operations, according to a source. Meanwhile, bunker demand is said to be strong in all Brazilian ports this week. Bunker fuel availability is also good. Most suppliers are able to offer VLSFO and LSMGO deliveries with recommended lead times of 5-7 days.

Maersk places order for 20 dual-fuel LNG vessels

Danish shipping company A.P. Moller-Maersk has placed an order for 20 dual-fuel LNG container ships, with deliveries scheduled between 2028 and 2030.

Maersk has signed agreements with three shipyards to build the ships: China's Yangzijiang Shipbuilding and New Times Shipbuilding, and South Korea's Hanwha Ocean.

The combined capacity of all the vessels is 300,000 TEU. They will be equipped with dual-fuel LNG engines, enabling them to run on LNG and conventional oil-based marine fuels. Their sizes will range from 9,000 to 17,000 TEU.

"Once phased in, they will **replace existing capacity** in our fleet," said Anda Cristescu, head of chartering and newbuilding at Maersk. With this order, Maersk completes the newbuild order target that it announced in its fleet renewal plan in August.

Titan to supply more biomethane to UECC vessels

LNG bunker supplier Titan has extended a deal to supply **mass-balanced liquified biomethane (LBM)** to Norway's United European Car Carriers' (UECC) dual-fuel LNG vessels.

Titan will supply LBM to UECC for the remainder of 2024 and through most of next year.

Since July, over 95% of the fuel delivered to UECC's vessels by Titan has been mass-balanced LBM, it said. Mass balancing is an accounting method that tracks flows of sustainable feedstocks in a supply chain. It enables blending of renewable and non-renewable feedstocks while maintaining an accurate tally of each type. Titan produces LBM from bio-based feedstock such as organic waste, agricultural residue or manure, which is certified with the International Sustainability Carbon Certification (ISCC). LBM can function as a drop-in fuel in LNG.

First ship-to-ship LNG bunkering completed in Long Beach

Canadian bunker supplier Seaspan Energy recently conducted its **first ship-to-ship (STS) LNG bunkering** of a container ship in California's Port of Long Beach. The operation also marked the launch of Seaspan's LNG bunkering service on the West Coast of North America.

The LNG bunkering vessel, Seaspan Garibaldi, delivered an unspecified amount of LNG to the container ship. It is the first of Seaspan Energy's three 112-metre-long LNG bunkering vessels to become operational in the region.

Another bunkering vessel, the Seaspan Lions, is slated to arrive soon. These two vessels will operate in the Long Beach and Vancouver markets.

"Our first ship-to-ship LNG bunkering has been five years in the making...this represents the first ship-to-ship bunkering on the West Coast of North America," senior vice president at Seaspan Harly Penner said.





Chimbusco supplies methanol to dual-fuel container ship

Hong Kong-based bunker supplier Chimbusco delivered about **80 mt of methanol** to a 1,300 TEU dual-fuel container ship at Sanfu Shipbuilding in China's Taizhou. The operation marked the firm's first onshore methanol bunker delivery. It was done using a mobile methanol filling skid developed by Chimbusco and Chinese shipbuilder COSCO. The methanol was delivered to **MPC Container Ships' NCL Vestland** in a 2.5-hour operation by truck.



Hafnia to use wind propulsion tech on dual-fuel methanol ships

Oil tanker owner Hafnia is looking at installing wind-assisted propulsion systems on its upcoming dual-fuel methanol ships to improve their **fuel efficiency**. The first in a series of four 49,800-dwt tankers is set for delivery in January. Hafnia is "evaluating new concepts to boost the vessels' environmental footprint," it said. These ships will also be equipped for future shore power connections and have spaces allocated for rotor sails.

ARA fuel oil stocks
in November

7.91m bbls

ARA fuel oil stocks
in October

8.16m bbls

ARA fuel oil stocks drawn 3% in November

The ARA's independently held fuel oil stocks averaged **3% lower** in November than across October, according to Insights Global data.

The region imported 333,000 b/d of fuel oil in November, up from 262,000 b/d imported in October, according to cargo tracker Vortexa. The ARA hub imported low sulphur fuel oil (LSFO) and HSFO in a 31/69 ratio last month, with the HSFO share up from a 45/55 ratio in October. Kuwait (14% of the total) emerged as the region's biggest fuel oil import source in November. The UK, Iraq and France (11% each) ranked second, followed by Sweden (10%) and the US (9%). The region exported 211,000 b/d of fuel oil in November, a significant increase from 122,000 b/d of fuel oil exported in October.

The ARA hub's independent gasoil inventories - which include diesel and heating oil - decreased by 2% in November. It imported 405,000 b/d of gasoil during the month, a slight decline from 411,000 b/d of gasoil imported in October, according to Vortexa data.

Weekly Brent developments

Front-month Brent is heading for a **1% rise** on the week amid a fall in US crude stocks and a potential extension of oil output cuts by OPEC+.

Upward pressure:

Market analysts now think Saudi Arabia-led OPEC+ group will maintain its current output cut of 2.2 million b/d through to the first quarter of next year. "The cartel is widely expected to opt to prolong supply curtailments for another month, but the blueprint for 2025 remains mysterious," SPI Asset Management's Stephen Innes said.

Commercial US crude oil inventories declined by 5.07 million bbls to 423 million bbls in the week ending 29 November, according to the Energy Information Administration.

Downward pressure:

Donald Trump's victory in the US election could be bearish for oil prices. "The electoral winds blowing from the US have cast a net bearish shadow over the oil landscape," Stephen Innes said. US refiners are expected to ramp up production by 1 million b/d, he remarked, "which should be more than enough to move the Brent needle to \$60 [\$60/bbl]" in 2025.

In China, state-owned oil refiners are planning to cut crude throughput amid weak domestic fuel demand, according to market intelligence provider JLC.

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