

Weekly Market News

13th - 17th January 2025

Hot off the press
The latest Bunker Quality Trends report is out and Chris Turner tells you what to be conscious of when you fix your stems

READ
UPDATE



UECC vessel bunkered with biomethane in Spain

LNG supplier Naturgy bunkered a vessel operated by Norwegian shipping firm United European Car Carriers (UECC) with **liquefied biomethane (LBM)** in Spain's Port of Vigo. UECC's LNG-capable pure car and truck carrier, Auto Advance, was supplied with an unspecified quantity of LBM in a truck-to-ship bunkering operation this week. This marks the first time that "LBM has been delivered by truck to ship in the whole of Spain," UECC said. The company also noted that this "represents the first physical molecule delivery of the fuel - instead of mass balanced." This physical delivery of LBM in Spain will enable UECC to expand its regional LBM suppliers beyond Titan Clean Fuels in Zeebrugge, the company added.

India and UAE to boost ammonia and methanol bunkering

Indian ammonia producer AM Green and logistics provider DP World want to develop **ammonia and methanol bunkering** with storage infrastructure in select ports in Dubai, India and southeast Asia. The infrastructure will be designed to support exports of up to 1 million mt/year of green ammonia and 1 million mt/year of green methanol, both produced by AM Green. The companies have not yet announced a timeline or which ports will be involved in the project. AM Green is constructing a green ammonia plant in the city of Kakinada in Andhra Pradesh, India. The plant is expected to produce 1 million mt/year of green ammonia by 2027, using green hydrogen feedstock and renewable electricity as inputs. The firm has already partnered with Norwegian ammonia supplier Yara Clean Ammonia, which will offtake the plant's entire production capacity starting in 2027, with plans to supply to shipping and other sectors.

Maersk aims to deploy 19 methanol vessels this year

Danish shipping firm A.P. Moller-Maersk expects to deploy at least **19 new methanol dual-fuel vessels** by the end of 2025, according to Leonardo Sonzio, head of fleet management and technology at Maersk. The company also anticipates receiving its first e-methanol shipment from European Energy's Kassø facility in Denmark this year, Sonzio noted in the company's 2025 vision statement. The Kassø plant has a production capacity of 32,000 mt/year of e-methanol. Maersk has committed to offtake at least 10,000 mt/year from this capacity to fuel some of its methanol-capable vessels. Last year, Maersk ordered 20 LNG-capable vessels from Chinese and Korean shipyards for deliveries between 2028 and 2030. However, it retains the option to switch the specifications of these newbuilds to methanol dual-fuel in 2025.

EU approves 36% duty on biodiesel imports from China

Definitive duties now apply to hydrotreated vegetable oil (HVO) and fatty acid methyl ester (FAME) biofuels imported from China. EU members adopted these duties during a recent Trade Defense Instruments Committee meeting. The European Biodiesel Board (EBB) has welcomed the duties, which will be implemented for the next five-year period. "After Indonesia, Argentina and the USA, we now have measures in place against China," Xavier Noyon, the EBB's secretary general, said. The European Commission started investigating a heavy influx of Chinese biodiesel into the EU market in December 2023. The EBB and other EU-based biofuel producers investigated allegations that Chinese exporters were flooding the EU market with massive quantities of lower-priced biodiesel. In July 2024, the EU enforced provisional anti-dumping duties of up to **36.4%** on biodiesel imports from China. The probe will continue until February, after which the EU will officially publish the regulation.





Viroque Energy to start physical supply in two Spanish ports

Spanish petroleum company Viroque Energy has obtained a license to carry out physical bunker supply in the Spanish ports of **Gijón** and **Bilbao**, its head of trading and operations Alvaro Verdu said. This development follows the company's recent expansion into the Colombian bunker market. Last month, it completed its first physical bunker supply operation in Cartagena de Indias, Colombia, delivering 416 mt of VLSFO to an undisclosed buyer.



South Korea announces fund for alternative fuels development

The South Korean government has launched a KRW 1 trillion (\$680 million) infrastructure fund to accelerate the move to **alternative fuels** in the Korean shipping industry. It is allocating KRW 600 billion (\$410 million) from the fund to be invested by 2030 in developing LNG, methanol and ammonia storage facilities across South Korean ports. The remaining KRW 400 billion (\$270 million) will be used to build four LNG and ammonia "bunkering-only" vessels.

Panama bunker sales in December

501,000 mt

Panama bunker sales in November

468,000 mt

Panama bunker sales improved in December

Panama's total bunker sales moved **6% higher** in December as more vessels arrived for bunkers. The number of ships bunkering in Panama's ports rose by 44 to 661 on the month, and that was 160 more ships bunkering than in December 2023.

The average stem size was 757 mt and roughly steady with the 759 mt in November, according to preliminary figures from the Panama Maritime Authority. Two barges were taken out of operation in Panama, bringing the total count to 32 barges last month.

VLSFO sales dropped by 1% on the month, while LSMGO sales gained by 14%. HSFO sales gained about 17% on the month and were up by a massive 91% on a year-on-year basis. VLSFO was the most sought-after product in 2024, accounting for 61% of total bunker sales. HSFO sales represented 29% of the total, and combined MGO sales were at 10%.

Product availability was tight across all grades amid strong bunker demand in the Panamanian ports of Balboa, Cristobal and Colon, with recommended lead times of more than seven days.

Weekly Brent developments

Front-month ICE Brent is set to **gain 2%** on the week amid hopes of interest rate cuts by the US Federal Reserve (Fed) this year and a fresh set of US sanctions on Russia's energy sector.

Upward pressure:

Oil prices reacted positively to the "relatively soft" US inflation data, which has opened the window for interest rate cuts by the US Federal Reserve (Fed) this year, as it tries to bring inflation under its 2% target. "The US CPI data came in somewhat better than anticipated,"

SPI Asset Management managing partner Stephen Innes said.

US President Joe Biden's administration announced sweeping sanctions against Russia's energy sector late last week. "Crude futures rebounded with Brent trading back above \$80, supported by sanctions angst," analysts from Saxo Bank noted.

Downward pressure:

Brent felt some downward pressure as Israeli Prime Minister Benjamin Netanyahu's war cabinet and the Iran-backed Hamas armed group reportedly reached a six-week initial ceasefire deal. The news has removed some risk appetite from the oil market, as it eased concerns about the possibility of a full-scale war between Israel and Iran, one of the largest OPEC+ oil producers, according to market analysts.

DISCLAIMER

This article is prepared by, and expresses the opinions of, Integr8 as of the date of writing (the "Materials"). Integr8 may (but does not have to) update or revise the Materials, without notice. The Materials are intended as general information, not to be relied upon or read as business, investment, legal, tax or other advice. The Materials are not addressed to, and do not contemplate, the individual circumstances of any person. Integr8 makes no representation as to the Materials' accuracy, completeness, authenticity or source. Each person must independently evaluate the Materials. Save for this disclaimer, the Materials are not intended to create legal relations, and are not an offer or invitation from Integr8, its affiliate or any other person. In preparing the Materials, Integr8 has acted on its own behalf and not as an agent or representative. To the fullest extent permitted by applicable law, Integr8 shall have no liability in contract, tort (including negligence) or otherwise for any loss or cost whatsoever, whether direct, indirect, incidental, special, punitive or consequential, in any way connected to the Materials. The Materials may not be used, copied, reproduced, disseminated, quoted or referred to in any publication or other document (with or without attribution) without the prior written consent of Integr8.