

Weekly Market News

6th - 10th January 2025

Steve Christy looks at 2025:

Analysts vary on their price views, but they don't see a major rebound for Brent and bunker prices

READ
UPDATE



Berge Bulk and BHP test B100 on Australia-China voyage

Dry bulk shipowner Berge Bulk and Australian mining firm BHP have trialed **B100 biofuel** on a vessel transporting iron ore from Australia to China. The companies bunkered the bulk carrier Berge Lyngor with an undisclosed quantity of B100 (100% biofuel) for the voyage. "B100 biodiesel uses vegetable oil, animal fat, tallow and/or waste cooking oil from restaurants and industrial kitchens," Berge Bulk said.

The biofuel supplier for this operation was not disclosed. Berge Bulk estimated that the use of B100 on its vessel translated to around 84% reduction in well-to-wake greenhouse gas emissions, compared to conventional fuels.

Monjasa conducts first Middle Eastern LNG bunkering

LNG bunker supplier Monjasa bunkered a cruise ship with **3,000 cbm (1,215 mt)** of LNG in Dubai, UAE. Monjasa's recently deployed LNG bunker barge, Green Zeebrugge, delivered the stem to the Costa Cruises-operated cruise ship Costa Smeralda.

The bunker operation was conducted at Dubai Harbour Cruise Terminal B. This was the first LNG bunkering in the UAE and the wider Middle East region, Monjasa said.

The bunker supplier will also be chartering the 138,000-cbm LNG carrier Shandong Juniper from Abu Dhabi's ADNOC Logistics and Services for a period of nine months.

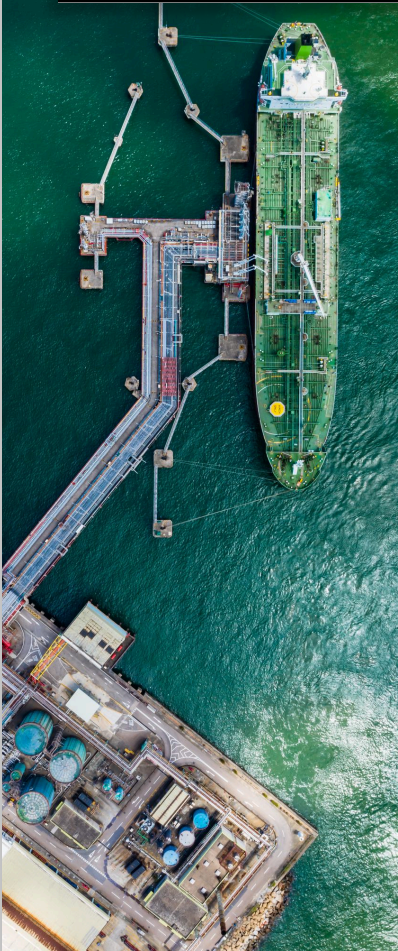
The vessel is expected to join Monjasa's fleet by mid-January. "By serving as FSU [floating storage unit] and performing cargo operations, the Singapore-flagged Shandong Juniper becomes a key component in tying together Monjasa's new operations," the firm said.

First SIMOPs methanol bunker operation in Yangshan

A.P. Moller-Maersk's vessel, Annie Maersk, was bunkered with **3,000 mt of methanol** during cargo unloading operations on 1 January at Yangshan port, Chinese port operator Shanghai International Port Group (SIPG) said. It was a so-called simultaneous operation (SIMOP), in which a ship receives bunker fuel while unloading cargo. This method is designed to reduce a ship's docking time in port. This operation marked the first "ship-to-ship simultaneous refueling" for a large methanol-powered container ship in the port, SIPG said. It shows that "methanol bunkering in Yangshan Port has entered the normalization stage," it added. The bunker operation was carried out by the SIPG-operated tanker Haigang Zhiyuan. The identity of the methanol supplier has not been disclosed.

First movers must not risk outpacing the industry - MOL

The first movers "must avoid getting too far ahead of others," Takeshi Hashimoto, chief executive of Mitsui O.S.K. Lines (MOL), said in his New Year statement. In his latest remarks, Hashimoto stressed the importance of becoming "**movers and shakers**" within the industry and called for collective action with "like-minded partners" to address **climate change**. This position marks a step back from his comments in January 2024, when he championed a more proactive approach to industry leadership. He also expressed concerns about waning enthusiasm for climate action since the Glasgow Accord of 2021, when member nations agreed to phase out fossil fuel subsidies and accelerate action towards achieving the goals of the Paris Agreement. Widespread adoption of fuels with zero- and low-emission potential such as hydrogen, biofuels and other green alternatives remains challenging, he observed, suggesting that fossil fuels will still dominate the fuel mix in the near-term.





CMA CGM takes delivery of 10th dual-fuel LNG vessel

French shipping firm CMA CGM has taken delivery of the 10th and final **dual-fuel LNG** container ship in a series constructed by Hyundai Mipo shipyard in South Korea. The 2,000 TEU vessel CMA CGM Escurial will serve the route between Shanghai in China and Ho Chi Minh City in Vietnam. The global LNG-capable fleet is currently made up of 642 vessels, with another 227 expected to join this year, classification society DNV data shows.



Norway-India partnership explores green ammonia production

Norway-based H2Carrier and Indian hydrogen producer Greenstat Hydrogen India are assessing the feasibility of setting up floating **green ammonia production** facilities in India and Sri Lanka. H2Carrier has developed a floating green ammonia production plant concept, which involves a very-large gas carrier converted to a floating production, storage and offloading (FPSO) unit with an estimated production capacity of around 100,000-230,000 mt/year.

ARA fuel oil stocks
in December

8.64m bbls

ARA fuel oil stocks
in November

7.91m bbls

ARA fuel oil stocks grew 9% in December

The ARA's independently held fuel oil stocks **increased by 9%** in December compared to November, according to Insights Global data. The region imported 161,000 b/d of fuel oil in December, significantly down from 301,000 b/d imported in November, according to data from cargo tracker Vortexa.

The UK became the ARA's biggest fuel oil import source in December, accounting for 27% of its total imports, followed by Poland (17%), Denmark (13%) and Germany (11%). The ARA hub exported 266,000 b/d of fuel oil in December, an increase from 217,000 b/d of fuel oil exported in November. Fuel oil cargoes mostly departed for Brazil (21%), the US (13%), Singapore (10%), Panama (9%) and Spain (8%).

The ARA hub's independent gasoil inventories - which include diesel and heating oil - held steady in December. The region imported 238,000 b/d of gasoil and diesel in December, down from 359,000 b/d imported in November, according to Vortexa data.

Weekly Brent developments

Front-month ICE Brent is set to **gain 1%** on the week amid expectations of new policy changes for US oil production as president-elect Donald Trump prepares to take office later this month.

Upward pressure:

Brent futures have gained some support amid expectations of strong winter fuel demand and an earlier start to travel in China for the Lunar New Year holidays.

Oil supply disruption concerns in eastern Europe heightened this week after a Ukrainian drone struck a Russian oil depot on Tuesday. Oil investors are now waiting for a Russian retaliation.

Downward pressure:

With just a few days left of his presidency, Joe Biden has banned the majority of new oil and gas drilling off the Pacific and Atlantic coasts. But market participants expect the ban to be overturned as president-elect Donald Trump enters into office with a "drill, baby, drill" agenda. Fears of more stringent sanctions on Iran under Trump's presidency have bolstered market expectations of a supply increase from OPEC+.

"There will also be concerns over how hawkish Trump will be towards Iran when he takes office later this month," two analysts from ING Bank said. "It would also leave an opportunity for OPEC+ to increase supply," they added.

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