

Weekly Market News

17th - 21th February 2025

Integr8 Research's Steve Christy looks at recent bunker market trends and argues that

Global politics have driven prices higher

READ
UPDATE



Skuld warns of engine risks from CNSL biofuel

Biofuels made from **cashew nut shell liquid (CNSL)** can adversely affect a ship's engine components, marine insurer Skuld has cautioned. Several vessels under Skuld's coverage recently reported fuel system-related operational issues, including injector failure, filter and heater clogging, fuel sludging and deposit buildup due to fuel contamination, according to Dick Farrel Camoying, assistant vice president at Skuld. Testing of HSFO and VLSFO samples from these vessels detected a presence of phenolic compounds such as cardol, cardanol and anacardic acid - all of which are components of CNSL. This contamination can lead to poor engine performance, ultimately reducing energy efficiency, Camoying said.

VLSFO supply under pressure in several Indian ports

Fuel oil exports to Sri Lanka and increased domestic bunker demand have **tightened VLSFO supply** across several Indian ports, according to a source. Sri Lanka imported approximately 374,000 b/d of fuel oil from India in December, a massive increase from just 4,000 b/d across November and October. In January, imports surged by another 33% to 497,000 b/d, according to cargo tracker Vortexa.

Increasing fuel oil demand has put further strain on bunker supply in several Indian ports. VLSFO is subject to enquiry in multiple ports, including Kandla, Mumbai, Tuticorin, Chennai, Visakhapatnam and Cochin. A supplier in Paradip and Haldia is nearly out of stock. In Sri Lanka's Colombo, lead times for all fuel grades remain around seven days, steady from last week. In Hambantota, lead times have decreased from nine days last week to six days now.

Titan begins truck-to-ship LNG bunkering in Le Havre

Dutch LNG bunker supplier Titan LNG has received a permanent **truck-to-ship bunkering** license for the Port of Le Havre in France. Titan LNG already provided LNG bunkering services in Le Havre using its bunker vessels, and can now offer truck-to-ship deliveries as well, the company said in a social media post. "Using dedicated infrastructure and accredited delivery protocols also enables us to safely offer multiple truck-to-ship deliveries, allowing trucks to discharge simultaneously," it added. Titan recently supplied an unspecified amount of LNG to Fure Viskaer, an oil/chemical tanker operated by Swedish shipping firm Furetank. The stem was delivered using five LNG trucks simultaneously. Titan offers truck-to-ship bunkering across various ports in the Netherlands, Germany, Belgium, France and the UK.

Shipping firms urge IMO to discourage crop-based biofuels

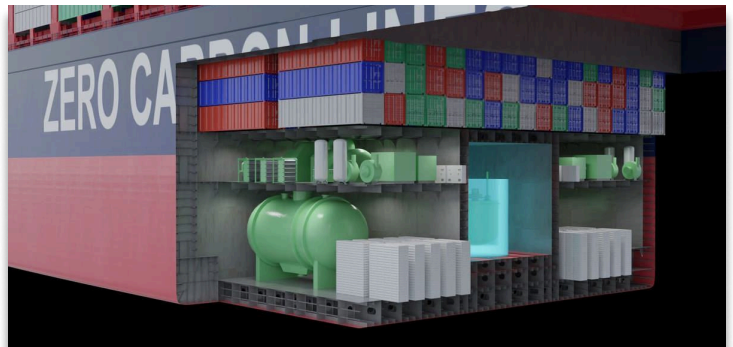
A coalition of shipping firms and environmental non-profits has called on the IMO to discourage the use of **crop-based biofuels** in shipping. In a joint letter, the signatories urged the IMO to ban crop-based biofuels from compliance with "existing and future" MARPOL Annex VI regulations and to assign them the "well-to-wake GHG values of the least favourable fossil fuel pathways". The signatories include shipping firms such as **Höegh Autoliners, Hapag-Lloyd and Louis Dreyfus**, along with environmental non-profits like Transport & Environment (T&E) and Naturschutzbund Deutschland (NABU). They also urged the IMO to exclude crop-based biofuels from any economic incentives offered for using low- and zero-emission marine fuels in its planned mid-term measures. They noted that most biofuels currently rely on crop-based feedstocks such as palm and soybean oil, and contribute to direct and indirect deforestation, water scarcity and food insecurity, ultimately undermining any potential emission reductions.





Lauritzen Bulk carriers bunkers B20-VLSFO, faces supply challenges

Lauritzen Bulk carriers has bunkered a time-chartered vessel with B20-VLSFO in Gibraltar for a voyage from Chittagong to Otranto. The blend contained 20% fatty acid methyl ester (FAME) and 80% VLSFO. The stem was delivered by global bunker supplier Peninsula. Lauritzen noted that securing small fuel parcels for its time-chartered vessels remains a challenge. Finding suppliers capable of delivering 40-100 mt of B20-B30 biofuels continues to be difficult, it said.



Nuclear will be key to achieve net zero in shipping – ABS

Nuclear power must be included in the future fuel mix to achieve decarbonisation goals in shipping, Christopher J. Wiernicki, chief executive of American Bureau of Shipping (ABS) said. One of the key advantages of using nuclear propulsion is its potential for zero-carbon operations, which would eliminate compliance penalties, he said. It also offers “higher power with faster transit speeds, increased cargo storage due to the elimination of fuel storage,” he added.

Panama bunker sales
in February

478,000 mt

Panama bunker sales
in January

501,000 mt

Panama bunker sales dropped in January

Panama's total bunker sales moved 5% lower in January as fewer vessels arrived for bunkers. The number of ships bunkering in Panama's ports fell by 19 from December to 642 in January - although this was 146 more than in January 2024.

The average stem size was 744 mt, smaller than the 757 mt in December, according to preliminary figures from the Panama Maritime Authority. Two barges were taken out of operation in Panama, bringing the total count to 30 barges last month.

VLSFO sales gained by 7% on the month, while **LSMGO sales** dropped by 4%. **HSFO sales** saw a sharp decline of about 25% on the month, and were up by 33% on a year-on-year basis. VLSFO was the most sought-after product in January, accounting for 64% of total bunker sales. HSFO sales represented about 25% of the total, and combined MGO sales were at 11%. Prompt bunker availability is currently tight in the Panamanian ports of Balboa, Cristobal and Colon. Several suppliers in the ports need at least seven days to deliver stems.

Weekly Brent developments

Front-month ICE Brent is set to rise by 2% on the week amid growing uncertainties over global oil supply this year, with investors focussing on US-Russia peace talks.

Upward pressure:

Several Ukrainian drones struck pipeline operator Caspian Pipeline Consortium's (CPC) pumping station on Monday, temporarily shutting it down. The facility, located in the Kavkazsky district of southern Russia, transports over two-thirds of all oil exports from Kazakhstan, and crude from Russian oil fields, including those in the Caspian Region, CPC said.

“Supply uncertainty continues to support the oil market, which faces multiple risks, including disruptions to Kazakh flows,” two analysts from ING Bank noted.

Downward pressure:

Brent's price felt some downward pressure following news that talks to end the ongoing war in Ukraine have begun between the US and Russia this week. If finalised, a ceasefire deal could help alleviate sanctions on Russia's energy sector, which have been disrupting global supply chains, analysts said.

Additionally, crude oil stocks in the US surged by 3.34 million bbls in the week that ended 14 February, according to the American Petroleum Institute (API).

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