

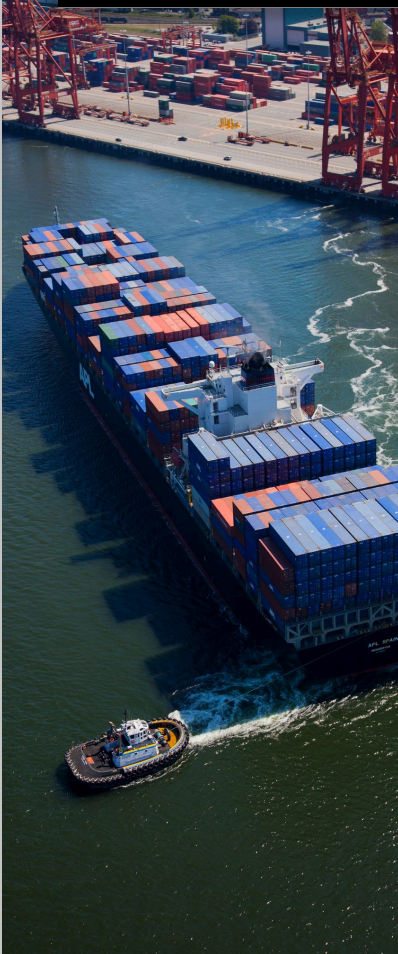
Weekly Market News

3rd - 7th January 2025

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

Tighter sanctions on Russia could push prices up

READ UPDATE



Seaspan completes first STS LNG bunkering in Canada

Canadian bunker supplier Seaspan Energy recently conducted its first ship-to-ship (STS) LNG bunkering of a ship in Canada's Port of Vancouver. It bunkered the dual-fuel crude oil tanker Pacific Jade Majuro with an unspecified amount of LNG. The bunker operation was conducted by Seaspan's LNG bunker barge Seaspan Lions, the company said.

This operation "marks the introduction" of LNG "from the Port of Vancouver and beyond", Seaspan Energy said. "With two of our LNG bunkering vessels now operational and our first bunkering in the books, our message to ship owners globally is that we now offer an accredited LNG bunkering option here in Vancouver," it added.

IMO set to lift biofuel cap to B30 for bunker vessels

The IMO's Sub-Committee on Pollution Prevention and Response has finalised a draft allowing bunker carriers certified as oil tankers to transport biofuel blends of **up to B30**, which contain 30% biofuel and 70% fossil fuel. Bunker tankers are currently only permitted to carry biofuel blends containing up to 25% biofuel (B25). Blends exceeding this limit must be transported on IMO Type II chemical tankers. "No IOPP [International Oil Pollution Prevention] certificate changes will be required," the Liberian Registry said in a social media post.

The Liberian Registry chaired the group that developed the guideline. An IOPP document certifies that a ship is compliant with the MARPOL convention - an international agreement that aims to reduce pollution from shipping. The interim circular is scheduled for approval during the IMO's Maritime Environment Protection Committee (MEPC 83) meeting in April.

Alt fuel vessel orders off to sluggish start in 2025 - DNV

There were only **12 orders** for vessels running on alternative fuels in January, senior DNV consultant Kristian Hammer said this week. All of the new orders in January were for **LNG-capable** vessels. There are now a total of 657 LNG-capable vessels in operation and another 628 on order for delivery towards 2033, according to DNV's database.

For other alternative fuels, the numbers remain significantly lower. 50 methanol-capable vessels are in operation and another 338 are on order for delivery by 2030. Two ammonia-capable vessels are in operation: a tugboat retrofitted with ammonia cracking technology and an offshore supply vessel retrofitted to run on ammonia. Another 31 ammonia-capable vessels are on order, with deliveries scheduled towards 2028.

Suez Canal urged to discuss Red Sea transits with insurers

The Suez Canal Authority (SCA) should involve insurance companies in future discussions on **Red Sea transits**, Port Said Chamber of Shipping chairman Adel Ellameey said. His remarks came during a meeting between the SCA and representatives of 23 container liners and shipping trade bodies, where SCA chairman Ossama Rabiee discussed conditions for a possible return to the Suez Canal route.

Several shipping firms started diverting vessels away from the Red Sea in December 2023 due to security concerns. While security risks have now eased following the Yemen-based Houthi rebel group's recent announcement to halt attacks after the Israel-Hamas ceasefire, many shipping operators still remain hesitant to return. One of the main reasons for this reluctance could be the persistently high cost of war risk insurance. Even though security risks have eased, insurers have not rolled back these war risk premiums.



Moeve plans 30 biomethane plants across Spain

Spanish bunker supplier Moeve, formerly known as Cepsa, plans to develop facilities that will produce **biomethane** from organic waste for use in transport and other sectors. These 30 plants are expected to have a combined capacity of 4 terawatt-hours/year (260,000 mt/year) of biomethane. Moeve already supplies conventional fuels, LNG and biofuels for bunkering. This project could position it to offer biomethane as well.



Econowind sells 100th wind-assisted propulsion unit

Dutch wind-power company Econowind has sold over 100 **wind-assisted propulsion** units since 2018. Currently, 32 units are in operation, 33 are either in production or ready for installation, and 37 more have been ordered. The technology has been successfully deployed on various kinds of vessels, Econowind said. It attributed this growth to “shipowners’ drive to cut fuel consumption, reduce CO2 emissions, and comply with tightening global regulations.”

Rotterdam bio-bunker sales in 2024

757,000 mt

Rotterdam bio-bunker sales in 2023

752,000 mt

Rotterdam bio-bunker sales fall behind Singapore

Rotterdam’s bio-bunker sales in 2024 **increased by just 1%** on the year to 757,000 mt. Despite the rise, the port’s bio-bunker sales were 4% off the record 791,000 mt sold in 2022, according to the Port of Rotterdam Authority. The port’s bio-bunker sales include liquid biofuels blended into conventional bunker fuel grades as well as bio-methanol and bio-LNG. Singapore overtook Rotterdam as the world’s biggest bio-bunker port last year, with 883,000 mt sold – 17% more than Rotterdam. The port authority noted a decline in demand for bio-blended fuels in the second half of 2024. It attributed some of the slowdown in demand to “the increased availability of bio-blended fuels in Asia following the European Union’s imposition of anti-dumping duties on Chinese biofuel”. EU slapped anti-dumping duties of up to 36.4% on biodiesel imports from China from last August. This prompted Chinese exporters to look for alternative outlets and more volumes flowed to Singapore’s bunker market.

Weekly Brent developments

Front-month ICE Brent is on track to **drop by 1%** on the week due to rise in US crude inventories and growing concerns about a potential trade war between the US and China.

Downward pressure:

Commercial US crude oil inventories surged 8.7 million bbls higher to touch 423 million bbls for the week ending 31 January, according to data from the US Energy Information Administration (EIA).

Earlier this week, US imposed a 10% tariff on all imports from China. Later, China announced a retaliatory tariff of 10% on US oil imports.

“The trade dispute between the US and China has raised demand concerns - not least in China, an economy that has grown increasingly dependent on exports at a time of weak consumer confidence at home,” Saxo Bank’s head of commodity strategy Ole Hansen remarked.

Upward pressure:

US President Donald Trump has signed a directive to increase pressure on Iranian crude flows, by enforcing stricter sanctions with an aim to drive Tehran’s oil exports to zero. The stricter enforcement of sanctions on Iran could place 1 million b/d of oil supply at risk, two analysts from ING Bank said.

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