

Weekly Market News

3rd - 7th March 2025

Steve Christy looks at lower bunker prices and geopolitics in play to ask:

Is Trump close to ending the Ukraine war?

READ
UPDATE



Bangchak claims first biofuel bunkering in Thailand

Thai energy company Bangchak Sriracha Public Company (BSRC) recently supplied a **B24-VLSFO blend** to a vessel operated by Japanese shipping company NYK Line. The container ship *Iris Leader* was bunkered with 470 mt of B24-VLSFO in Laem Chabang Port in Thailand's Chonburi province.

The blend, produced at Bangchak Sriracha Refinery, consisted of 24% used cooking oil methyl ester (UCOME) and 76% VLSFO. "The new product has already attracted strong interest from shipping companies, particularly those from Japan," BSRC said.

This operation marked the first biofuel delivery in Thailand.

Wah Kwong signs methanol offtake bunkering agreement

Hong Kong-based shipping firm Wah Kwong Maritime Transport will procure **bio-methanol** from Chinese producer CIMC ENRIC for bunkering. CIMC is constructing a bio-methanol plant in Zhanjiang City, China. In the first phase of the project, the plant will use biomass feedstock to produce 50,000 mt/year of bio-methanol.

The facility is expected to become operational in the second half of this year, CIMC said.

Wah Kwong has signed an offtake agreement to procure part of this initial supply and physically deliver it for bunkering in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA).

CIMC said the plant's location also allows for supply to southern China and Southeast Asia.

In 2022, CIMC signed a separate offtake agreement for part of its bio-methanol supply from the same plant with Danish shipping firm A.P. Moller-Maersk.

Bunker One expands physical deliveries to New York

Danish bunker supplier Bunker One will begin physical deliveries of conventional fuels at the Port of New York following a new acquisition. The company will primarily focus on **HSFO deliveries** for customers operating "in and around the Port of New York," it said.

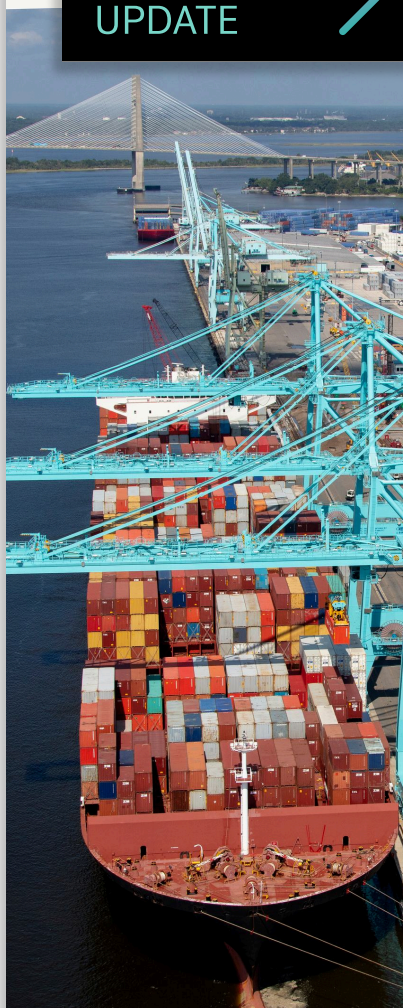
Bunker One acquired commodity trading firm Element Alpha's New York Harbor storage position on 1 March through its US-based arm, Bunker One USA. This acquisition will give Bunker One access to Element Alpha's time-chartered bunker barge and a dedicated storage facility in New York, the company said. Bunker One already supplies conventional fuels in Houston, New Orleans, Mobile and other locations along the US Gulf Coast. This acquisition will support its expansion in the US, the company added.

US eases restrictions on LNG bunkering

The US Department of Energy (DoE) has modified a prior order issued to JAX LNG, removing regulatory barriers for LNG as marine fuel. The DoE will no longer exercise its Natural Gas Act jurisdiction over **ship-to-ship LNG bunkering** in US ports, US waters and international waters. Ship-to-ship LNG bunkering will still be considered an export if the receiving vessel is located in the territorial waters of a foreign country, including foreign ports, the agency clarified.

This decision follows a rehearing request from JAX LNG, which challenged a December 2024 order that regulated LNG bunkering of foreign-registered receiving vessels.

JAX LNG, a coastal LNG facility in Jacksonville, Florida, supplies LNG for bunkering. With the new ruling, the DoE has eliminated regulatory uncertainty surrounding LNG bunkering, the agency added. This decision is "a significant step in reducing regulatory burdens and helping this important segment of the LNG market continue to grow," the DoE's Tala Goudarzi said.





CMA CGM to deploy 12 methanol dual-fuel ships by 2026

French shipping firm CMA CGM has taken delivery of the first of 12 **methanol dual-fuel** vessels. The 13,000-TEU ship, CMA CGM Iron, completed its maiden voyage this week from Hyundai Samho Heavy Industries shipyard in Korea to the Port of Singapore. This vessel will operate on CMA CGM's service route between Asia and the Middle East Gulf region, the company said. The remaining 11 vessels will be deployed between 2025 and 2026.



Singapore opens up for B30 bunkering after IMO guidance

Singapore-registered bunker vessels will be allowed to carry and deliver stems with up to **30% (B30) biofuel** from 7 March. Last month, the IMO finalised interim guidance, allowing bunker tankers to carry up to B30 blends, from up to B25 earlier. This is poised to shake up the Singapore biofuel bunker market, as only some bunker suppliers have been able to deliver blends above 25% biofuel, and have defaulted to 24% (B24) blends to err on the safe side.

LNG-capable vessel orders in February

33

LNG-capable vessel orders in January

12

LNG-capable vessel orders dominate in February – DNV

Orders for alternative-fuelled vessels rose from 12 in January to 34 in February, senior DNV consultant Kristian Hammer said.

In February, 33 of these orders were for **LNG-capable** vessels, Hammer added. There are now 689 LNG-capable vessels in operation and another 631 on order for delivery towards 2033, according to DNV's database.

"Crucially, we are also seeing parallel growth in the LNG bunkering space which is going to be increasingly important as the number of LNG-fuelled vessels in operation surges over the next few years," Hammer noted. Eight new orders were placed for LNG bunker vessels in February, marking a 50% increase in the LNG bunker vessel orderbook. There are currently 65 LNG bunker vessels in operation, with another 24 on order for delivery through 2028.

Meanwhile, the global fleet of **methanol-capable** vessels remains at 50, with orders for delivery through 2030 unchanged from last month at 338.

Weekly Brent developments

Front-month ICE Brent is set to **slump 5% lower** on the week, driven by concerns over slowing oil demand and oversupply in the global market, which have pushed the benchmark below the \$70/bbl mark for the first time since September 2024.

Downward pressure:

Eight members of the Saudi Arabia-led OPEC+ oil producers' group have reaffirmed plans to proceed with a gradual unwinding of cuts from 1 April. They have 2.2 million b/d in combined production cuts. "Sentiment remains weak following OPEC's decision to go ahead with its planned production hikes in April," ANZ Bank senior commodity strategist Daniel Hynes said. Commercial US crude oil stocks increased by 3.6 million bbls to touch 433.8 million bbls for the week ending 28 February, according to the US Energy Information Administration.

Upward pressure:

Brent found some support after the US government set a deadline of 3 April for oil company Chevron to cease operations in Venezuela. Despite the existing sanctions, Chevron had previously held a license allowing it to operate in the country and export crude oil to the US.

"This will leave US refiners looking for alternative heavy grades of crude oil just as other suppliers - Canada and Mexico - face tariffs," analysts from ING Bank said.

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