

# Weekly Market News

7th - 11th April 2025

Trade wars and recession fears have lowered bunker prices. Steve Christy recently asked:

Is there still room for further downside?

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## MEPC 83: Levy remains on the table - MCST

Support for a **greenhouse gas (GHG) levy** remains strong at the IMO's Marine Environment Protection Committee meeting (MEPC 83) this week, according to the Micronesian Center for Sustainable Transport (MCST), a decarbonisation initiative launched by the Marshall Islands and the University of the South Pacific. This coalition of Pacific and Caribbean island nations will continue to advocate for a \$150/mtCO<sub>2</sub>-equivalent levy at the IMO meeting, said Albon Ishoda, ambassador of the Marshall Islands. MCST noted that more than half of ratifying member states supported a levy at the IMO's technical committee meeting last week. But it said the chair of the GHG Working Group failed to "recognise the majority in support of this critical mechanism, and chose to work on the basis of his own bridging proposal." MCST maintains that a GHG levy is still on the table for a potential approval this week.

## Monjasa adds tanker to boost Middle Eastern bunkering

Global bunker supplier Monjasa has expanded its operations in the Middle East by deploying its recently acquired bunker tanker Hafnia Pegasus (now renamed Monjasa Master). The vessel will load fuel in Fujairah and be a floating storage unit for other bunker vessels operated by Monjasa across the Arabian Gulf, said Casper Borgen, Monjasa's trading director for the Middle East and Africa. The company has not revealed specific details about the fuel grades it will supply from this vessel. Monjasa currently offers **VLSFO, HSFO, MGO, LNG** and **biofuel blends** at various Middle Eastern ports, and operates five oil and chemical tankers in the region, with capacities ranging from 8,000-50,000 dwt.

## Golden Island will conduct bio-methanol bunkering trials

Singapore-based bunker supplier Golden Island will begin **bio-methanol bunkering** trials in Singapore with its newly built IMO Type 2 tanker. An IMO Type 2 chemical tanker is designed to transport moderately hazardous chemicals, according to IMO standards. The bio-methanol for these trials will be supplied by Hong Kong-based producer Towngas from its plant in China. "The vessel is scheduled to depart a Chinese shipyard by late April and will lift the green methanol produced by Towngas before returning to Singapore to begin bunkering trials in July 2025," Towngas said.

Towngas' plant in China currently produces 100,000 mt/year of bio-methanol from biomass feedstock, with plans to increase this output to 150,000 mt/year by the end of 2025.

## EU may push ISCC to halt risky supply chain certifications

The European Union is expected to pressure the International Sustainability and Carbon Certification (ISCC) system to suspend certifications linked to high-risk biofuel supply chains, a source familiar with the system said. The ISCC has grown rapidly in recent years to become the world's most widely used certification system for sustainable biomass and biofuels.

But the source said the organisation scaled too fast and leaned too heavily on subcontracted auditors to check in with companies in various supply chains - an approach now seen as a core weakness. The EU has not made any formal move yet, but the regulator has been investigating **allegations of widespread fraud** involving waste-based biofuels, particularly used cooking oil and palm oil mill effluent from China and Southeast Asia. According to the source, the most likely outcome is that the European Commission will ask the ISCC to clean up select high-risk supply chains, rather than suspend the entire system.







## Green fuel investments need policy backbone - Methanex

Regulatory clarity is essential to boost investment in **low GHG emission fuels**, methanol producer Methanex said. The IMO must ensure that its framework deters non-compliance and pay-to-pollute pathways in shipping, it said. “An agreement would be historically significant: the shipping industry would be the first global industry on a regulatory course to reach net zero by 2050,” it said. The IMO is set to finalise mid-term measures this week.



## MEPC 83: Show goes on after the US walks out of negotiations

IMO member states have continued talks on mid-term measures despite the US exiting the Marine Environment Protection Committee (MEPC) meeting this week. A source at the IMO told ENGINE: “This kind of behavior appears in line with recent actions of the USA. In my perception it **doesn't have any influence** on the ongoing discussions as the IMO member states continue to negotiate on the basket of midterm measures and business as usual continues.”

### Singapore fuel oil stocks in March

19.18m bbls

### Singapore fuel oil stocks in February

18.85m bbls

## Singapore's fuel oil stocks up by 2% in March

Residual fuel oil stocks in Singapore averaged 2% higher in March than in February, according to data from Enterprise Singapore.

The port's fuel oil stocks grew amid a sharp 53% increase in net fuel oil imports. Imports rose by 1.17 million bbls, while exports declined by 257,000 bbls.

According to cargo tracker Vortexa, the largest share of fuel oil cargo volumes arrived in Singapore from Russia (20%), followed by Brazil (16%) and Indonesia (8%). Most fuel oil volumes exported from the port were sent to China (58%), Malaysia (21%) and Indonesia (9%). Singapore's middle distillate stocks also averaged 2% higher in March compared to February. VLSFO availability in Singapore has tightened, with recommended bunker lead times extending from 4-10 days last week to 8-13 days now. HSFO lead times have also increased, from 4-8 days to 5-9 days, while LSMGO lead times have been steady between the weeks at 2-5 days.

## Weekly Brent developments

Front-month ICE Brent is set to **decline by 5%** on the week amid escalating trade tensions between the two largest oil consumers of the world – the US and China.

### Downward pressure:

The Donald Trump-led US administration hardened its stance on China by raising total import tariffs to 125%. Earlier this week, the US had hit Beijing with a total 104% in tariffs. This was later countered by China with an announcement of 84% tariffs on US goods, which in turn prompted Trump to hike its tariffs further to 125%.

“The US dug in its heels over China, with Trump on Wednesday ratcheting up cumulative import duties against the country to 125%,” Vanda Insights founder Vandana Hari said. Commercial US crude oil stocks increased by 2.6 million bbls to 442 million bbls for the week ending 4 April, according to the US Energy Information Administration.

### Upward pressure:

Oil prices found some support after Trump announced a 90-day pause on country-specific tariffs towards most of its trading partners, just a day after they came into effect. The news has eased some demand concerns as global markets await the outcomes of trade negotiations between Washington and its counterparties.

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