

Weekly Market News

28th April - 2nd May 2025

Tariff war and IMF's gloomy economic outlook

Steve Christy examines the factors behind the sharp fall in oil prices

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UPDATE



SK Incheon starts B30 supply in South Korea

The blend will comprise a 30% bio-component supplied by Korean biofuel producer JC Chemical, mixed with 70% of SK Incheon Petrochem's (SK Incheon) straight-run fuel oil (SRFO). According to SK Incheon, its SRFO is "refined from ultra-light crude oil in a single process without cracking," and this type of bio-blend is the "first of its kind" in South Korea.

The company completed its **first B30 delivery** at Incheon Port on 26 April. It will start supplying the blend in ports across South Korea's West Sea region, with future plans to expand bunker deliveries to other ports.

"We expect that biofuel-blended marine fuel will establish itself as a sustainable energy transition model for the shipping industry to address greenhouse gas regulations," said SK Incheon's Yoon Young-ho.

Eckerö Line buys Neste biofuel to meet FuelEU target

Finnish ferry operator Eckerö Line will use **biofuels** supplied by oil refiner Neste in its fuel mix to comply with FuelEU Maritime 2% GHG intensity reduction from this year. Its ferries operate between Helsinki and Tallinn. Neste produces biofuel from hydrogenated vegetable oil (HVO), a renewable fuel derived from waste and residue raw materials. It can be used on vessels in pure form (HVO 100), or blended with any conventional alternatives like VLSFO.

"We can use it as is in our existing fleet of ships operating in the Gulf of Finland to reduce our vessels' greenhouse gas emissions, thereby meeting the requirements of the FuelEU Maritime regulation," Eckerö Line's chief executive Taru Keronen said.

Molgas completes its first bio-LNG delivery in Spain

Spanish LNG bunker supplier Molgas delivered an unspecified quantity of **bio-LNG** to a dual-fuel container ship operated by Norwegian car carrier firm UECC in the Spanish port of Sagunto. The fuel was delivered to the UECC vessel from Molgas' Barcelona terminal via trucks. Molgas operates a multi-truck bunkering unit, which allows delivery of 200–300 mt of bio-LNG simultaneously during cargo loading and unloading operations.

It is now ready to expand deliveries across "multiple Spanish ports", the company added.

Molgas has not specified whether the bio-LNG used for this operation was produced using a mass balance accounting method. The company also owns a 45% stake in Dutch LNG and bio-LNG supplier Titan.

LNG sector in peril as US moves against China's maritime

The American Petroleum Institute (API) has warned that the new **US rules for LNG exports** are unworkable and risk derailing the country's energy leadership amid trade tensions with China. On 17 April, the Office of the US Trade Representative announced new rules aimed at countering China's dominance in maritime logistics. Under the new rules, set to take effect in 2029, at least 1% of US LNG exports must be shipped on US-built, US-flagged and US-operated vessels, with the requirement gradually increasing to 15% by 2047.

In a letter to senior government administration officials, API president Mike Sommers stressed that the new requirement is "not possible to comply with and risks counteracting the significant progress the Trump Administration has made towards reducing uncertainty and unleashing US LNG." Currently, there are no large-scale LNG vessels that meet these criteria, and US shipyards lack the capacity and workforce to build them at the required scale and speed.



Victrol expands fleet to boost ARA bunkering operations

Antwerp-based barge operator Victrol has expanded its fleet with a **new bunker barge** after sea trials. The Havana is a 6,400 mt-capacity bunker barge equipped with a bunker boom and a mass flow meter. The vessel will operate in the **ARA hub** and along the Rhine. Victrol has not disclosed which fuel grades the vessel will supply. The new bunker barge is owned by shipping company Petro Shipping. Victrol operates a fleet of 35 barges



OOCL places order for 14 methanol-capable vessels

Hong Kong-based shipping firm Orient Overseas Container Line (OOCL) has placed an order for 14 dual-fuel methanol-capable container ships in China. These ships will be able to run on both methanol and conventional fuels upon delivery. All are scheduled for **delivery between 2028-2029**. The new vessels “will allow the Group to optimise its fleet structure, and the vessels can serve as replacements of the aged units of the Group over time,” OOCL said.

Panama bunker sales in March

499,000 mt

Panama bunker sales in February

416,000 mt

Panama's bunker sales rose to highest this year in March

Panama suppliers delivered more bunker fuel in March, both on a total and daily average basis. The country's total **bunker sales** rose to 499,000 mt - their highest level since December, according to preliminary figures from the Panama Maritime Authority. Total sales averaged 16,000 mt/day in March, up from 15,000 mt/day in the shorter month of February. **VLSFO** sales climbed by 16% on the month, while **LSMGO** sales surged 34% higher. **HSFO** sales rose by a sharp 27% on the month and by 20% compared to March 2024. The number of ships bunkering in Panama's ports rose by 67 from February to 666 in March. That was 181 more ships than in March 2024. The average stem size was 749 mt, up from 695 mt in February. Two more barges entered into operation in Panama, bringing the total count to 30 barges in March. Bunker fuel availability remains good in Balboa and Cristobal - the country's two biggest ports - with recommended lead times of less than a week.

Weekly Brent developments

Front-month ICE Brent is set to plunge **7% lower** on the week amid concerns over oversupply in the global oil market and a potential slowdown in Chinese oil demand. The benchmark has slipped below \$60/bbl for the first time in four years.

Downward pressure:

Eight OPEC+ members have agreed to accelerate the easing of voluntary production cuts and boost their combined output by 411,000 b/d in May, a significant jump from the previously planned increase of 135,000 b/d. “We see OPEC+ pushing ahead with returning more barrels onto the [oil] market at the May 5th meeting, despite legitimate demand worries,” energy-focussed hedge fund manager Eric Nuttall said.

Analytics firm Kpler has lowered China's crude demand forecast by 160,000 b/d through July, “reflecting peak maintenance and softer refining sentiment amid rising trade tensions.”

Upward pressure:

Commercial US crude oil stocks declined by 2.7 million barrels to touch 440 million bbls in the week ending 25 April, according to the US Energy Information Administration.

On Monday, the US sanctioned three vessels and their owners for allegedly supporting Iran-backed Houthi militants, reinforcing its commitment to tightening sanctions on Iran.

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