

Weekly Market News

2nd - 6th June 2025

When will VLSFO pricing fall back in line with crude?

Integr8's Steve Christy offers timeline for VLSFO-crude realignment

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REPORT



AD Ports to explore e-methanol bunkering in the UAE

UAE-based port operator AD Ports Group has partnered with three other companies to explore the development of an **e-methanol bunkering** and export facility at the UAE's Khalifa Port and Khalifa Economic Zones Abu Dhabi (KEZAD).

Other collaborators of this project include UAE's state-owned energy firm Masdar, Dutch liquid storage logistics company Advorio and French shipping company CMA CGM.

These companies aim to develop infrastructure to build out an e-methanol supply chain and "commercial e-methanol production with key off-takers, such as CMA CGM," AD Ports said.

E-methanol, or synthetic methanol, is produced using 100% biogenic carbon dioxide (CO₂) and green hydrogen. The biogenic CO₂ is typically captured through either bioenergy with carbon capture and storage (BECCS) or through direct air capture (DAC).

Ineratec starts production at German e-fuel plant

German renewable energy firm Ineratec has commenced operations at its **2,500 mt/year e-fuel plant** in Frankfurt. A portion of the plant's output will become marine fuels, the company said. "Climate-neutral e-fuels are not just technologically possible," Ineratec noted, adding that this plant "shows they are also ready for the market" to help decarbonise "hard to electrify" sectors such as shipping. The e-fuel produced at the plant is synthetic crude oil, made by combining biogenic CO₂ with green hydrogen. This synthetic crude can then be processed into synthetic marine diesel oil (MDO) to be used as a bunker fuel for ships. Synthetic MDO can be used directly or blended with conventional fuels without requiring engine modifications.

VLSFO availability improves in Zhoushan

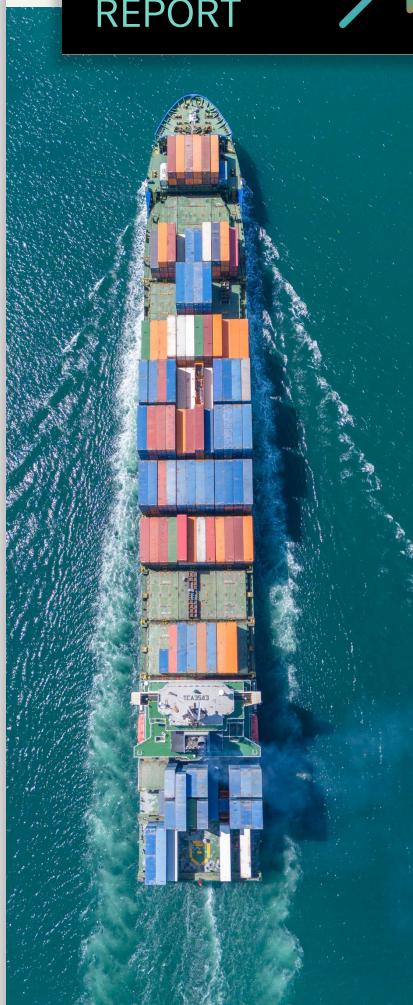
VLSFO supply has improved in Zhoushan this week, with most suppliers now recommending lead times of 4-7 days, down from 7-10 days last week. **HSFO** lead times have also shortened, from 5-7 days last week to 3-5 days currently. However, securing prompt deliveries of **LSMGO** can be difficult in the port, with recommended lead times of up to seven days.

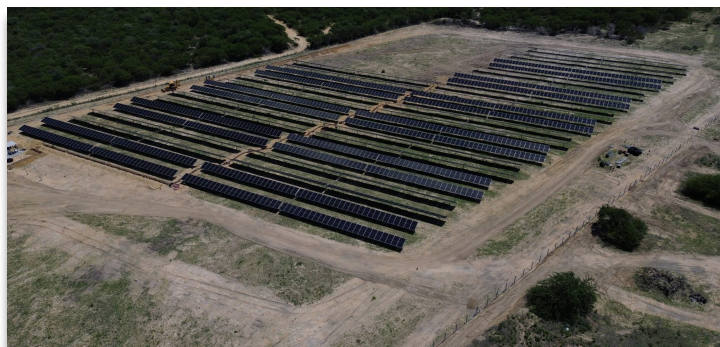
In northern China, suppliers in both Dalian and Qingdao can offer prompt supply of VLSFO and LSMGO, though HSFO remains limited in Qingdao. Tianjin still faces tight supply of both VLSFO and HSFO, while LSMGO is readily available. In Shanghai, VLSFO and HSFO remain under pressure, while LSMGO is well stocked. Further south, Fuzhou reports healthy inventories of both VLSFO and LSMGO. Xiamen has adequate VLSFO supply, though LSMGO is tight.

Shanghai mulls certification system for sustainable fuels

Shanghai's Maritime Safety Administration is working to set up an **International Shipping Sustainable Fuel Certification System**. The system has been announced in Shanghai - one of China's biggest bunker ports - and arrives as shipping companies and bunker suppliers brace for tighter GHG targets for marine fuels, after the IMO Net-Zero Framework was approved by IMO member states in April.

The work is led by the Shanghai International Shipping Carbon Footprint Labelling Association, which was recently set up with participation from Chinese oil company Sinopec, shipping major COSCO and the Shanghai Maritime University. Drawing on EU and IMO standards and local industry experience, the working group proposes five fuel verification points—from feedstock to onboard use. Draft rules are due by December, followed by a pilot in 2026. The plan, however, raises questions about overlap with established global certification schemes.





GoVerde Energia's new e-methanol plant targets shipping demand

Brazilian green energy supplier GoVerde Energia is planning to develop an **e-methanol production plant** at the Aratu Industrial Port Complex, located in Brazil's Bahia state. It expects to start operations between 2027 and 2028, with an initial production capacity of 300 mt/day, scaling up to 900 mt/day by 2032. The Port of Aratu is a key bulk terminal in Aratu Bay. The produced e-methanol will be supplied to the shipping industry and other sectors.



Maersk takes delivery of final dual-fuel methanol vessel in series

Danish shipping firm A.P. Moller-Maersk has taken delivery of its 13th **methanol-capable dual-fuel vessel**. "With the delivery of AXEL MÆRSK, we complete the world's first series of large dual-fuel methanol container vessels," Maersk said. The new 16,000-TEU vessel is expected to operate on Maersk's East-West trade route between Asia and Europe. The company has not confirmed whether it will run on methanol or conventional fuels on this route.

Alternative fuel vessel orders in Jan-May 2025

136

Alternative fuel vessel orders in Jan-May 2024

150

LPG vessel orders lead May's alternative fuel tally – DNV

Liquefied petroleum gas (LPG)-capable vessel orders took a surprise lead last month, accounting for eight of the 16 alternative fuel-capable ship orders recorded in DNV's database. The global fleet now includes 130 LPG-capable vessels, made up of 128 pure LPG carriers and two LPG/ammonia gas carriers. A further 92 vessels are on order for delivery by 2028.

Beyond LPG, six **LNG-capable** vessel orders and two **methanol-capable** vessel orders were recorded in May, senior DNV consultant Kristian Hammer said. There are now a total of 736 LNG-capable vessels in operation and another 624 are scheduled for deliveries through 2033. For methanol, the current fleet stands at 65 vessels, with 366 more on order for delivery towards 2030. No new ammonia-capable vessel orders were placed in May.

"A total of 136 orders for alternative-fuelled vessels have been placed in the first five months of 2025, slightly behind the 150 orders from the first five months of 2024," Hammer said.

Weekly Brent developments

Front-month ICE Brent is heading for a **4% rise** on the week, driven by concerns over supply disruptions by Canadian wildfires and weaker prospects for a Russia-Ukraine peace deal.

Upward pressure:

Wildfires in Canada's energy hub of Alberta have curtailed about 350,000 b/d of crude oil production, according to a Bloomberg report. "Wildfires in Alberta, Canada, provided a boost to prices," noted two analysts from ING Bank.

Brent's price gained further support from a new type of warfare in Russia and Ukraine, as the two nations engaged in one of the largest drone battles of their war last week, undermining efforts to reach a peace deal.

Downward pressure:

Brent felt some downward pressure following media reports that Saudi Arabia plans to significantly increase crude oil output in the upcoming months. The country aims to continue aggressive oil supply hikes to regain its market share, Bloomberg reported, adding that it wants to restore 411,000 b/d of crude oil in August and potentially in September. Last week, eight members of OPEC+ agreed to collectively increase their supply by 411,000 b/d in July, compared to June's production levels.

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