

Weekly Market News

25 - 29 May 2026

Refinery runs decline and products tighten

Steve Christy examines the Middle East war's impact on oil product markets

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REPORT



HutanBio targets spot bunker sales from Oman project

UK-based biofuel startup HutanBio plans to expand **algae-based biofuel** production in Oman to 6,000-8,000 mt/year by 2029, with offtaker Wakud considering both long-term supply contracts with shipowners and spot bunker sales, chief executive Manshu Agarwal said. Last week, HutanBio announced a partnership with Oman's Utopia World Investment (UWI) to commercialise and expand biofuel production in the country using HutanBio's algae-based oil technology. The project will initially be developed as a demonstration facility with production capacity of 20-30 mt/year by 2027, before scaling up further. Agarwal said a later commercial-scale expansion could eventually lift capacity beyond 1 million mt/year. Utopia is the majority shareholder of Wakud, which owns and operates a biodiesel refinery in Oman and will offtake the project's entire fuel output.

Sahara Group starts physical bunkering in Mauritania

Energy conglomerate Sahara Group has launched **physical bunker supply** operations in Mauritania after receiving a bunkering licence from the Mauritanian government. The firm has chartered the 7,600-dwt bunker vessel Nervi to supply marine fuels, including **VLSFO** and **MGO**, to vessels operating in Mauritanian waters, Sahara said. The vessel is currently positioned off Nouadhibou. Earlier this month, bunker suppliers Peninsula and Minerva Bunkering also launched physical supply operations in Mauritania after securing licences from the authorities.

Gothenburg biogas liquefaction plant breaks ground

Energy infrastructure firm Nordion Energi has started building a biogas liquefaction facility near the Port of Gothenburg that is expected to produce **liquefied biomethane (LBM)** for bunkering. The facility is scheduled for completion in 2027 and is expected to become operational before the end of that year. It will have a production capacity of around 50 mt/day of LBM. The project is expected to help Swedish biogas producers access new markets, including shipping. Swedish gas producer St1 Biokraft has already secured part of the facility's capacity and plans to target the bunkering sector, according to the port authority. The authority added that ships calling at the port are already using LBM, and the new facility will support wider adoption.

ARA availability tightens as Hormuz disruption drags on

VLSFO and **HSFO** lead times in the ARA hub have doubled over the past two weeks, with buyers now advised to book stems around 10 days in advance to secure competitive offers, up from 4-5 days in mid-May, a trader said. **LSMGO** deliveries require around six days of notice. Bunker supplier Peninsula said it has observed increasing signs of strain in the ARA market, driven by loading delays and tighter availability of blending components, which are affecting consistent production of on-spec fuels. The supplier added that disruptions to global crude and product flows following the closure of the Strait of Hormuz remain the key driver behind the tightening. A Peninsula spokesperson said the company's ability to import its own cargoes and use its dedicated terminal infrastructure at Chane in Rotterdam is helping it avoid many of the constraints affecting the wider market.



Kamei conducts Japan's first STS HVO100 bunkering

Trading firm Kamei has completed Japan's first ship-to-ship (STS) supply of **100% hydrotreated vegetable oil (HVO100)** in the Keihin port area. The company said the operation was part of a demonstration project using biofuel produced by Japanese company Euglena from used cooking oil (UCO) and other feedstocks. Kamei added that it will assess challenges and conduct technical verification to support a full-scale deployment in the future.



PIL completes first LNG bunker operation in Shanghai

Pacific International Lines' (PIL) container ship Kota Ocean received around 4,300 cbm of LNG from SIPG Energy, a wholly owned subsidiary of Shanghai International Port. The delivery marked PIL's first **LNG bunker operation** in Shanghai's Waigaoqiao port in China. The vessel carried out simultaneous LNG bunker and cargo operations at Mingdong Terminal. The Kota Ocean is one of eight LNG dual-fuel vessels in PIL's fleet.

Panama bunker sales in April

484,000 mt

Panama bunker sales in March

498,000 mt

Panama bunker sales dipped in April

VLSFO and HSFO bunker sales declined in Panama last month, both on a total and daily average basis, according to preliminary data from the Panama Maritime Authority.

HSFO sales fell by 13% on the month in April, while VLSFO sales remained broadly steady, slipping by less than 1%. In contrast, LSMGO volumes rose by 13% month-on-month.

Panama's total bunker sales edged down from March to 484,000 mt in April. A total of 679 ships bunkered at Panama's ports in April, down from 696 ships in March, while the number of operating barges remained steady at 31.

Despite the monthly decline, it was the highest-selling month of April in the past five years.

Bunker demand in Panama is currently strong, with normal fuel availability across the country. In Balboa and Cristobal, HSFO and VLSFO typically require lead times of 4-6 days, while LSMGO can be delivered within four days, depending on stem size and delivery port.

Weekly Brent developments

Front-month ICE Brent is heading for an **8% drop** on the week amid growing hopes for a US-Iran peace deal that could reopen the Strait of Hormuz. Oil markets remain focused on further developments in the Middle East crisis.

Downward pressure:

"Crude oil prices sold off, as markets became increasingly convinced that a US-Iran deal was imminent," said ANZ Bank senior commodity strategist Daniel Hynes. US President Donald Trump wrote on social media platform Truth Social on Sunday that talks with Tehran were proceeding in an "orderly and constructive manner", putting downward pressure on oil prices. Iran's parliamentary speaker Mohammad Bagher Ghalibaf and foreign minister Abbas Araghchi travelled to Doha earlier this week to push negotiations towards a final stage.

Upward pressure:

The US military launched fresh strikes in Iran, targeting a military site believed to pose a threat to US forces and commercial maritime traffic in the Strait of Hormuz, Reuters reported, citing a US official. Meanwhile, Iran's Islamic Revolutionary Guard said it had targeted a US airbase in response to a US attack in the port city of Bandar Abbas. The latest flare-up in the Middle East, despite ongoing peace talks, has added upward pressure on Brent's price.

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