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Argus *Marine Fuels*

Issue 24-217 | Thursday 31 October 2024

OVERVIEW

- Independently-held residual fuel oil inventories in Amsterdam-Rotterdam-Antwerp rose by 4.2pc to 1.349mn t in the week to 30 October.

- Holidays kept bunker buying interest muted on South America's Pacific coast.

Global marine biodiesel				$/t
	Low	High	Mid	±
Marine biodiesel (VLSFO and Ucome blend)				
B24 dob Singapore	na	na	na	nc
B24 dob Guangzhou	730.00	750.00	740.00	nc
B24 dob Fujairah	-	-	na	nc
B30 RED dob ARA range	797.50	807.50	802.50	nc
B24 RED dob Algeciras-Gibraltar	760.00	770.00	765.00	+3.00
B30 dob Houston	-	-	848.02	+12.43
B30 dob Los Angeles	-	-	930.30	+33.43
RED marine biodiesel ARA range (VLSFO blend)				
B10 advanced FAME dob	-	-	598.19	+6.80
B20 advanced FAME dob	-	-	652.63	+5.34
B30 advanced FAME dob	-	-	707.07	+3.89
B50 advanced FAME dob	-	-	815.96	+0.99
B100 advanced FAME dob	-	-	1073.17	-6.28
B30 marine biodiesel dob (ULSD* blend) for harbor craft vessels				
Houston	-	-	713.92	+16.01
New York	-	-	728.34	+12.06

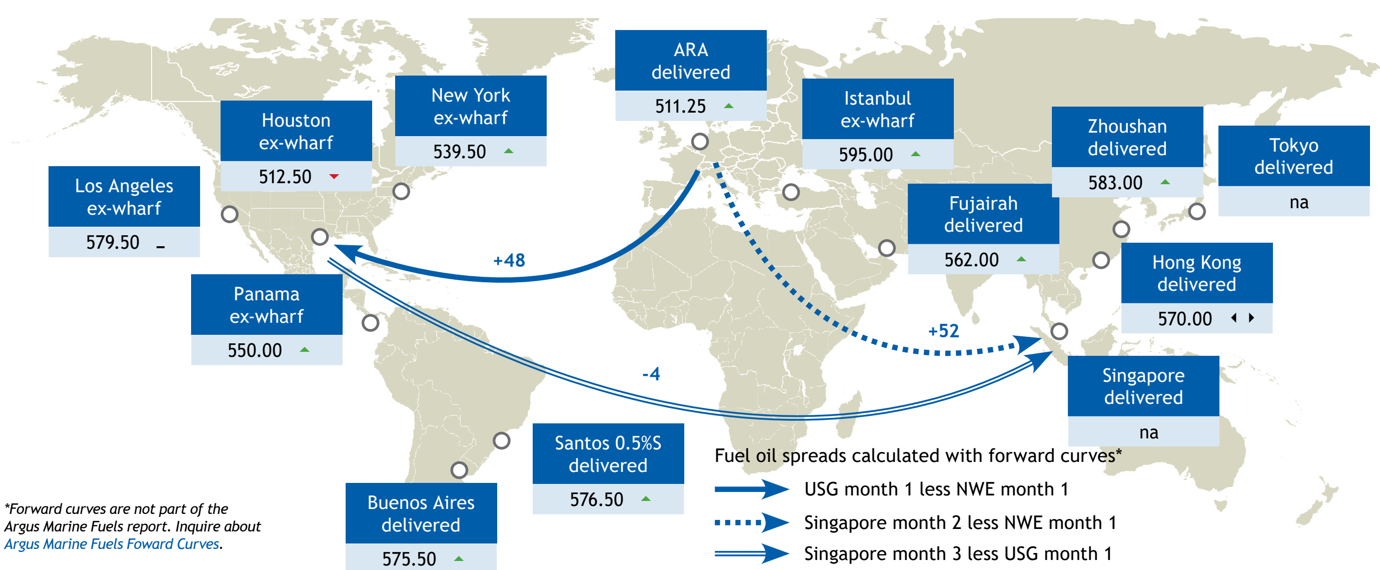
*ultra-low sulphur diesel

Key conventional bunker assessments, midpoint				
	Delivery	0.5%S fuel oil	MGO	3.5%S fuel oil
Singapore $/t	cargo, fob	na	-	na
	bunker, dob*	na	na	na
Zhoushan $/t	bunker, dob*	583.00	655.00	468.00
Fujairah $/t	barge, fob	na	-	-
	bunker, dob*	562.00	735.00	440.00
ARA $/t	bunker, dob*	511.25	656.50	-
Rotterdam $/t	bunker, dob	-	-	492.50
NW Europe $/t	barge, fob	501.50	662.25	477.50
US Gulf $/bl	barge, fob	75.81	-	66.40
US Gulf $/t	barge, fob	510.51	-	-
Houston $/t	bunker, ex-wharf	512.50	632.50	461.50
Houston $/t	bunker, dob	521.50	651.50	-
New York $/bl	barge, dob	79.76	-	-
New York $/t	barge, dob	537.11	-	-
New York $/t	bunker, ex-wharf	539.50	682.00	510.50
Los Angeles $/t	bunker, ex-wharf	579.50	666.00	461.00
	bunker, dob	599.50	706.00	468.00
Panama $/t	bunker, ex-wharf	550.00	697.50	470.00

*volume weighted average
The $/bl and $/t assessments for 0.5% sulphur fuel oil prices in the New York and US Gulf are assessed independent of each other. They are not directly correlated by fixed conversion factors due to density variables.

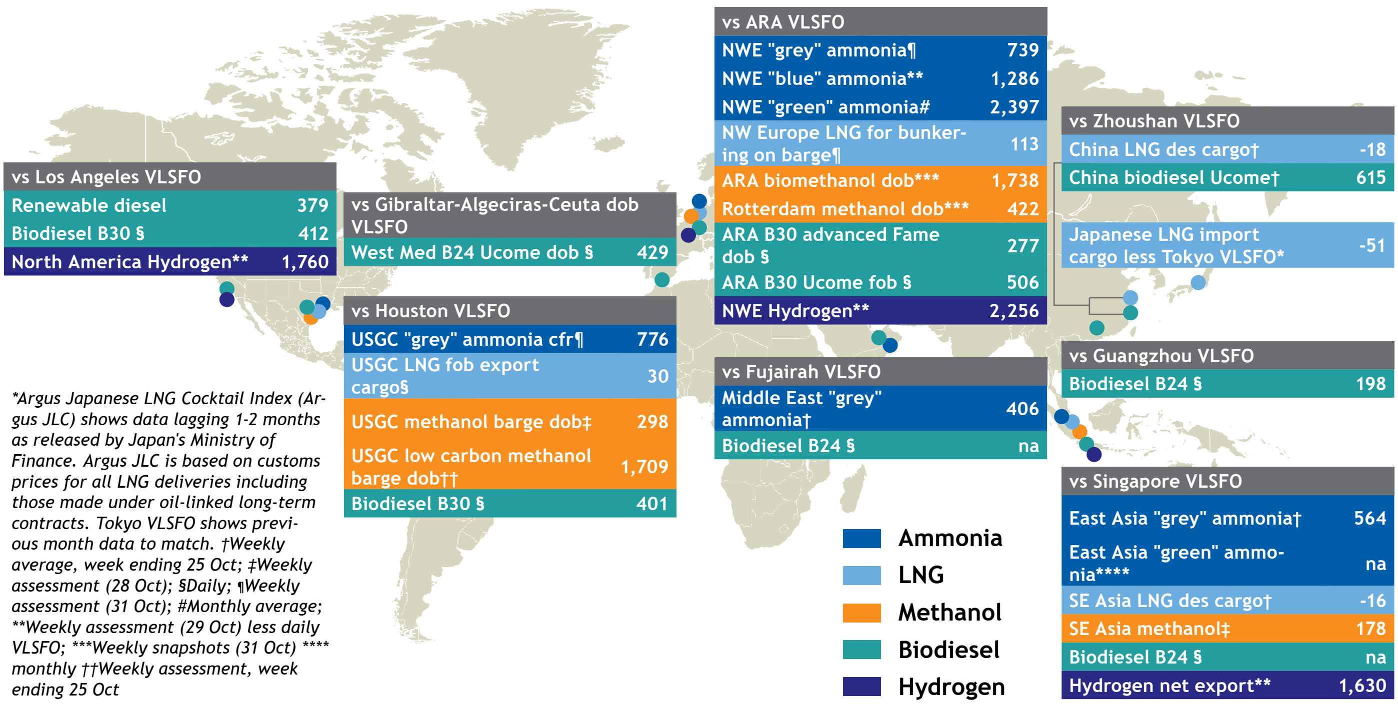
Tables include hyperlinks to those values maintained in the Argus database.

0.5%S FUEL OIL BUNKERS AND BULK 0.5%S FUEL OIL $/t



**Forward curves are not part of the Argus Marine Fuels report. Inquire about Argus Marine Fuels Foward Curves.*

ALTERNATIVE MARINE FUEL VS VLSFO *$/t VLSFO-equivalent*



Argus Japanese LNG Cocktail Index (Argus JLC) shows data lagging 1-2 months as released by Japan's Ministry of Finance. Argus JLC is based on customs prices for all LNG deliveries including those made under oil-linked long-term contracts. Tokyo VLSFO shows previous month data to match. †Weekly average, week ending 25 Oct; ‡Weekly assessment (28 Oct); §Daily; ¶Weekly assessment (31 Oct); #Monthly average; **Weekly assessment (29 Oct) less daily VLSFO; ***Weekly snapshots (31 Oct) ** monthly ††Weekly assessment, week ending 25 Oct*

ALTERNATIVE VS CONVENTIONAL MARINE FUEL

Asia-Pacific and Middle East energy equivalent comparisons

	$/mn Btu	$/t 0.5%S FOe	$/t MGOe	$/t 3.5%S FOe
Weekly average, week ending 25 Oct				
Grey ammonia East Asia (excl Taiwan) cfr	28.98	1,144.60	1,175.09	1,105.60
Green ammonia East Asia cfr, monthly, Oct	69.16	2,731.64	2,804.40	-
Methanol Southeast Asia delivered, weekly assessment, 28 Oct	19.19	758.11	778.30	732.28
LNG des Southeast Asia (ASEA) half-month net calorific value-adjusted	14.29	564.25	579.27	545.02
Singapore 0.5%S fuel oil delivered	14.70	580.47	-	-
Singapore 0.1%S MGO delivered	15.93	-	646.10	-
Singapore 3.5%S fuel oil delivered	12.45	-	-	475.00
Biodiesel B24 (VLSFO blend) Singapore delivered	na	na	na	na
Biodiesel B24 (VLSFO blend) Guangzhou delivered	19.97	785.89	824.63	-
Biodiesel Ucome (used cooking oil) RED bulk China fob	30.75	1,210.58	1,270.25	-
LNG des China half-month net calorific value-adjusted	14.67	577.50	605.96	-
Biodiesel B24 (VLSFO blend) Fujairah delivered	na	na	na	-
Zhoushan 0.5%S fuel oil delivered	15.12	595.10	-	-
Zhoushan 0.1%S MGO delivered	16.15	-	667.00	-
Ammonia Middle East fob spot	24.43	968.20	997.14	-
Fujairah 0.5% fuel oil delivered	14.49	574.10	-	-
Fujairah 0.1% MGO delivered	18.49	-	754.60	-
Monthly average				
Japanese LNG cocktail (JLC) preliminary, net calorific value-adjusted, Sep	13.36	563.20	-	-
Tokyo 0.5%S fuel oil delivered, Oct	14.58	614.55	-	-

ALTERNATIVE VS CONVENTIONAL MARINE FUEL

NW Europe energy equivalent comparisons

	$/mn Btu	*$/t* 0.5%S FOe	*$/t* MGOe	*$/t*	CO_2 % price increase
NWE grey ammonia wholesale excluding duty, cfr, weekly assessment, 31 Oct	31.82	1,249.88	1,284.12	-	-
NWE blue ammonia modeled value, wholesale, ex-works, weekly, 29 Oct	45.74	1,796.77	1,845.98	-	-
NWE green ammonia modeled value, wholesale, duty paid, cfr, monthly avg Oct*	74.04	2,908.30	2,987.95	-	-
ARA B100, advanced Fame dob, snapshot, 31 Oct	34.31	1,347.80	1,384.71	1073.17	-
ARA B30 (advanced Fame VLSFO blend), dob, snapshot, 31 Oct	20.06	788.12	809.71	707.07	-
ARA B30 (Ucome and VLSFO blend), dob, snapshot, 31 Oct	25.66	1,007.87	1,035.47	802.5	-
Rotterdam grey methanol dob, snapshot, 31 Oct	23.76	933.26	958.82	-	-
RED bio-methanol dob ARA netback, snapshot, 31 Oct	57.26	2,249.27	2,310.87	-	-
NWE LNG bunker, dob on barge, weekly assessment, 31 Oct	15.90	624.56	641.67	-	-
NWE LNG bunker, dob on *truck*, weekly assessment 31 Oct	13.93	547.04	562.02	-	-
ARA 0.5%S fuel oil retail, dob, snapshot, 31 Oct	13.02	511.25	-	-	-
ARA 0.1%S MGO retail, dob, snapshot, 31 Oct	16.27	-	656.50	-	-
Algeciras-Gibraltar B24 (Ucome and VLSFO blend), dob, snapshot 31 Oct	24.46	960.77	987.08	765	-
Algeciras-Gibraltar-Ceuta 0.5%S fuel oil retail, dob, snapshot 31 Oct	13.54	532.00	-	-	-
Algeciras-Gibraltar-Ceuta 0.1%S MGO retail, dob, snapshot 31 Oct	17.41	-	702.50	-	-
CO2 added combustion cost, snapshot, 31 Oct†					
EU CO2	-	-	-	69.74	-
Rotterdam grey methanol delivered including CO2 cost, snapshot, 31 Oct	28.84	1,132.97	1,164.00	-	21%
ARA B30, delivered, including CO2 cost, snapshot, 30 Oct	23.96	941.28	962.77	859.75	20%
NWE LNG bunker, delivered on barge including CO2 cost, snapshot, 31 Oct	19.56	768.32	789.36	-	23%
NWE LNG bunker, delivered on *truck* including CO2 cost, snapshot, 31 Oct	17.59	690.79	709.71	-	26%
ARA 0.5%S fuel oil retail, delivered including CO2 cost, snapshot, 31 Oct	18.61	731.00	-	-	43%
ARA 0.1%S MGO retail, delivered including CO2 cost, snapshot, 31 Oct	21.81	-	880.08	-	34%

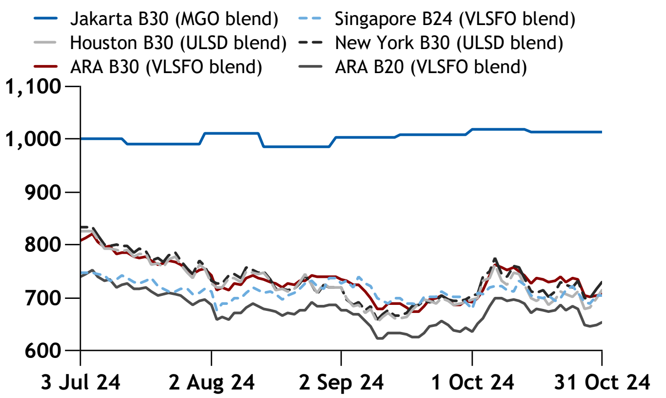
**Monthly calculated price. For more information about ammonia inquire about the Argus Ammonia report*
†1t of 0.5%S fuel oil emits 3.151t of CO2, 1t of MGO emits 3.206t of CO2, according to IMO's 2014 guidelines. 1t of LNG emits 2.755t of CO2, and 1t of methanol emits 1.375t of CO2 from burning, according to EU's renewable and low-carbon fuels in marine transport directive. For news and analyis on the EU Emission Trading Scheme market enquire about the Argus European Emissions Market report.

US energy equivalent comparisons, daily

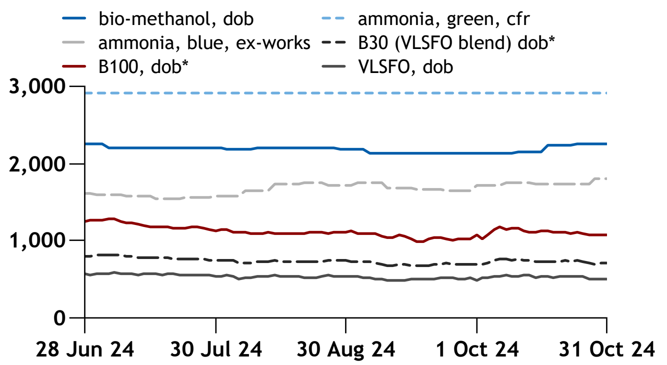
	$/mn Btu	*$/t* 0.5%S FOe	*$/t* MGOe	*$/t*
US Gulf ammonia cfr spot, weekly assessment, 31 Oct	32.10	1,297.00	1,394.89	-
US Gulf methanol barge delivered, weekly assessment, 28 Oct	20.27	819.17	881.00	-
US Gulf low-carbon methanol barge delivered, weekly assessment, 25 Oct	55.21	2,230.55	2,398.90	
US Gulf LNG fob net calorific value-adjusted	13.66	551.93	593.59	-
Biodiesel B30 (VLSFO and Ucome blend) Houston delivered, for ocean-going vessels	22.83	922.26	991.86	848.02
Biodiesel B30 (ULSD and B99 blend) Houston delivered, for harbor craft vessels	18.69	-	812.24	713.92
Houston 0.5%S fuel oil ex-wharf	12.69	512.50	-	-
Houston 0.5%S fuel oil delivered	12.91	521.50	-	-
Houston 0.1%S MGO ex-wharf	14.56	-	632.50	-
Houston 0.1%S MGO delivered	15.00	-	651.50	-
New Orleans 0.5%S fuel oil ex-wharf	12.53	506.00	-	-
New Orleans 0.1%S MGO ex-wharf	14.11	-	613.00	-
New Orleans 0.1%S MGO delivered	17.16	-	745.50	-
Biodiesel B30 (VLSFO and Ucome blend) Los Angeles delivered, for ocean-going vessels	25.04	1,011.74	1,088.10	930.30
Renewable diesel R99 Los Angeles head of pipe, for harbor craft vessels	22.52	978.77	910.08	-
Los Angeles 0.5%S fuel oil delivered	14.84	599.50	-	-
Los Angeles 0.1%S MGO delivered	16.25	-	706.00	-
Biodiesel B30 (VLSFO and Ucome blend) New York delivered, for ocean-going vessels	19.07	-	828.65	728.34
New York 0.5%S fuel oil ex-wharf	13.35	539.50	-	-
New York 0.1%S MGO ex-wharf	15.70	-	682.00	-

ALTERNATIVE MARINE FUELS

Global biofuel for bunkering *$/t*

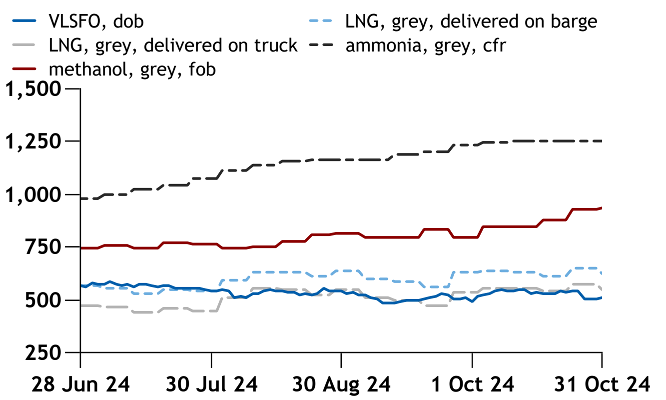


NW Europe "green/blue" alt fuels vs VLSFO *$/t VLSFOe*

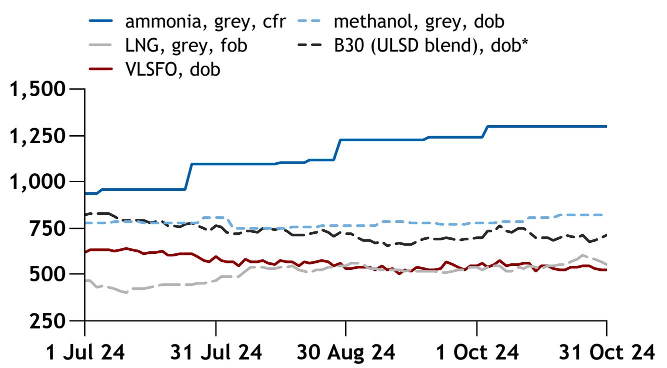


**$/t outright*

NW Europe "grey" alt fuels vs VLSFO *$/t MGOe*

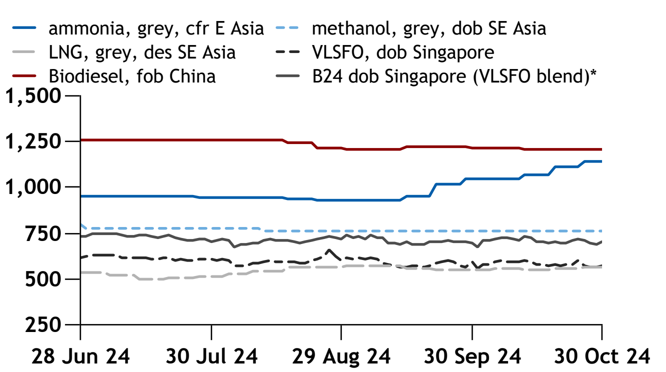


US Gulf alt fuels vs VLSFO *$/t VLSFOe*



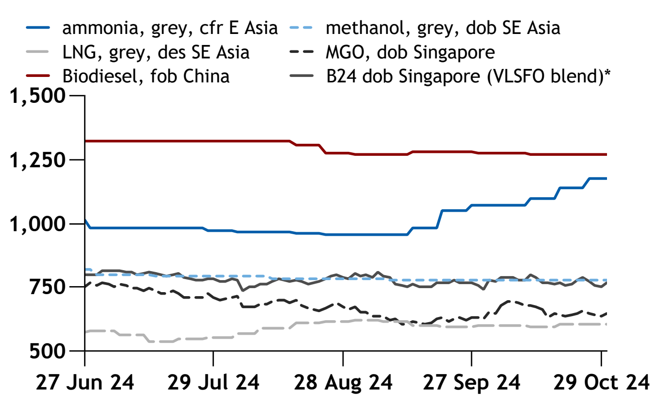
**$/t outright*

Asia alt fuels vs VLSFO *$/t VLSFOe*



**$/t outright*

Asia alt fuels vs MGO *$/t MGOe*



**$/t outright*

ASIA-PACIFIC

China

China's delivered bunker prices largely remained stable, with limited bunker trades because of a national holiday in Singapore and subsequent weaker liquidity.

In Zhoushan, 1,900t of very low-sulphur fuel oil (VLSFO) was reported sold at $583/t, and 100t of marine gasoil (MGO) at $655/t. Also in Zhoushan, a deal for 1,500t of high-sulphur fuel oil (HSFO) was reported at $468/t. The scrubber spread there — the difference between VLSFO and HSFO — increased to $115/t from $112/t in the previous session.

At Shanghai, four VLSFO deals totalling 1,630t closed at $582-585/t.

Middle East

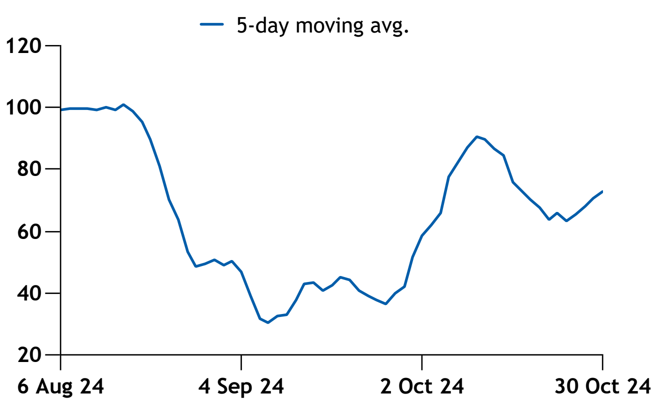
Fujairah and Khor Fakkan suppliers and trading firms submitted

Singapore assessed bunker prices			
Grade	HS 380cst	LSFO 0.5%S	MGO 0.1%S
Assessment VWA *$/t*	na	na	na
Reported quantity *t*	na	na	na
	Low	High	Mid
HS 500cst *$/t*	na	na	na
B24 biodiesel VLSFO blend *$/t*	na	na	na

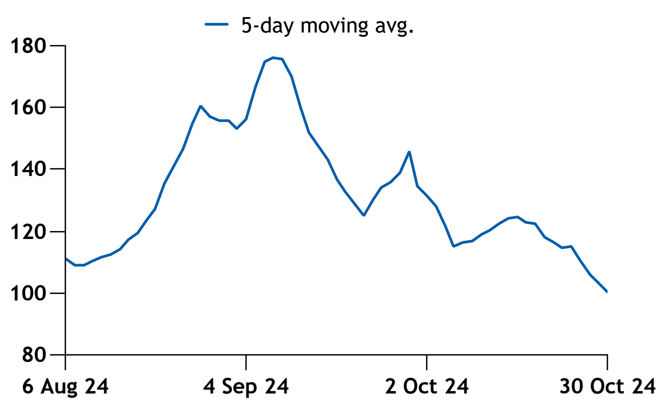
Singapore cargo prices				$/t
	Low	High	Mid	±
Singapore 0.5%S 30cst min fuel oil fob	na	na	na	
Singapore 3.5%S 180cst fuel oil fob	na	na	na	
Singapore 3.5%S 380cst fuel oil fob	na	na	na	

The total volumes published above include trades excluded from the volume-weighted average prices for failing to meet size, timing or statistical price tests.

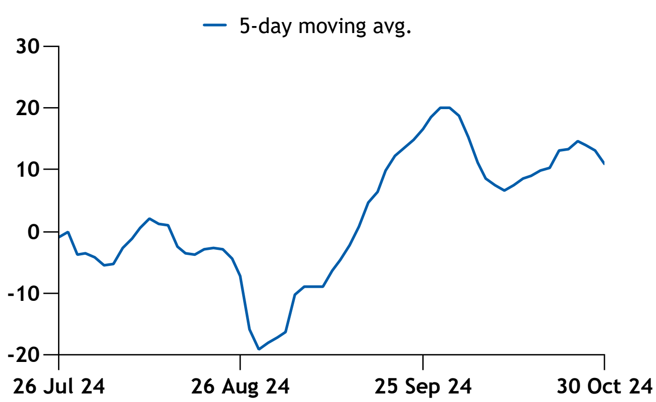
Singapore: MGO 0.1%S less fuel oil 0.5%S *$/t*



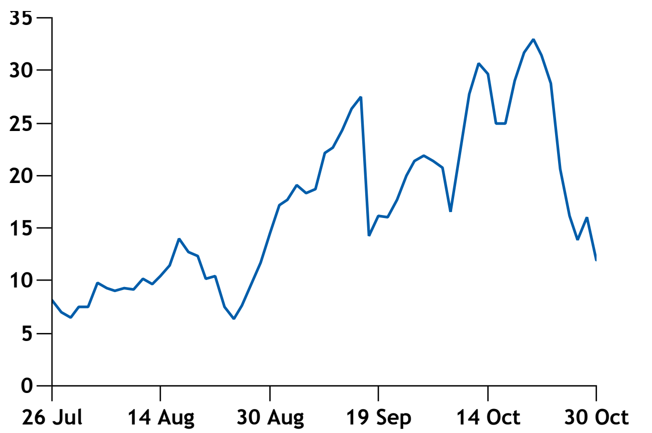
Singapore: fuel oil 0.5%S less fuel oil 3.5%S *$/t*



Fuel oil 0.5%S: Zhoushan less Singapore *$/t*



MGO - Fujairah less Singapore *$/t*



ASIA-PACIFIC

Assessed bunker prices $/t

	0.5%S 380cst					MGO				HS 380cst			
Location	Low	High	Mid	±	Sulphur max %	Low	High	Mid	±	Low	High	Mid	±
China delivered													
Hong Kong			570.00	◄►	0.05	625.00	635.00	630.00	◄►	475.00	485.00	480.00	◄►
Reported quantity *t*			0	◄►									
Qingdao	610.00	620.00	615.00	◄►	-	-	-	-		505.00	515.00	510.00	◄►
Shanghai			585.00	▲	0.10	660.00	670.00	665.00	◄►	480.00	490.00	485.00	◄►
Reported quantity *t*			1,630	▼									
Asia-Pacific (other) delivered													
Russian far east	545.00	585.00	565.00		0.10	730.00	760.00	745.00	◄►	457.00	490.00	473.50	◄►
Ulsan/Busan/Yeosu	na	na	na		0.10	na	na	na		na	na	na	
Sydney	na	na	na		0.10	na	na	na		na	na	na	
Port Klang	na	na	na		0.10	na	na	na		-	-	-	
Tokyo*	na	na	na		-	-	-	-		na	na	na	
Indian Ocean delivered													
Mumbai	649.00	661.00	655.00		0.10	790.00	810.00	800.00	◄►	565.00	567.00	566.00	▼

**0.5%S maximum viscosity 180cst*

Posted bunker prices $/t

	0.5%S 380cst					MGO				HS 380cst			
Location	Low	High	Mid	±	Sulphur max %	Low	High	Mid	±	Low	High	Mid	±
Saudi Aramco delivered													
Saudi Arabia eastern region	-	-	610.00	▼	0.05	-	-	780.00	▼	-	-	575.00	▼
Saudi Arabia western region	-	-	610.00	▼	0.10	-	-	780.00	▼	-	-	575.00	▼

CPC, Taiwan, delivered, valid from - $/t

	3.5%S	0.5%S	0.1%S
Location	380cst	180cst	MGO
Hualien, Suao*	-	na	na
Keelung	-	na	na
Taichung	-	na	na
Kaohsiung	na	na	na

**Hualien, Suao MGO is 0.5%S maximum*

China

	HS 380cst	LSFO 0.5%S	MGO 0.1%S
Zhoushan			
Bunker Index, delivered *$/t*	468.00	583.00	655.00
Reported quantity *t*	1,500.00	1,900.00	100.00
Barge, ex-wharf *$/t*	-	588.00	-
Guangzhou	Low	High	Mid
VLSFO, delivered *$/t*	583.00	593.00	588.00
B24 biodiesel VLSFO blend *$/t*	730.00	750.00	740.00

Fujairah assessed bunker prices

	HS 380cst	LSFO 0.5%S	MGO 0.1%S
Assessment *$/t*	440.00	562.00	735.00
Reported quantity *t*	500.00	800.00	100.00

three delivered spot bunker deals totalling 1,400t of marine fuels, from 14 deals for 9,665t in the previous trading session.

The deals comprised of 800t of very-low sulphur fuel oil (VLSFO), 500t of high-sulphur fuel oil (HSFO), and 100t of

Pertamina, Indonesia, bunkers for ocean-going vessels, delivered, valid from 15 Oct $/t

	LSFO 0.5%S	HS 180cst	MGO 0.005%S	B35 0.2%S (MGO blend)*
Jakarta	643.25	730.00	1,445.00	1,013.00
Surabaya	645.25	747.00	1,430.00	1,006.00
Balikpapan	660.25	749.00	-	1,101.00
Benoa	-	-	1,390.00	1,178.00
Batam	-	-	1,220.00	-

**Indonesian B35 officially has 0.2%S content which refers to the government's regulation on B35. But test reports show Indonesian B35 has below 0.1%S.*

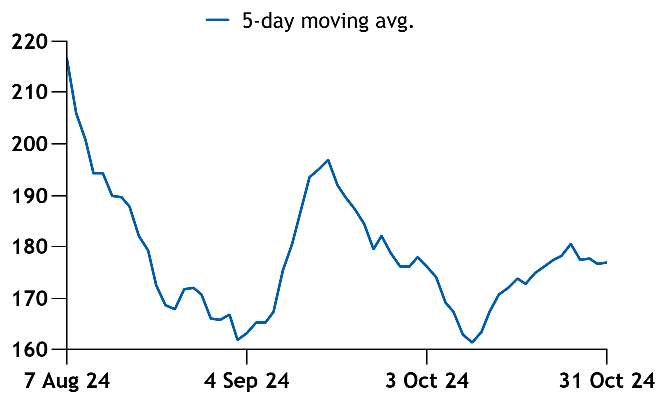
ASIA-PACIFIC

marine gasoil (MGO).

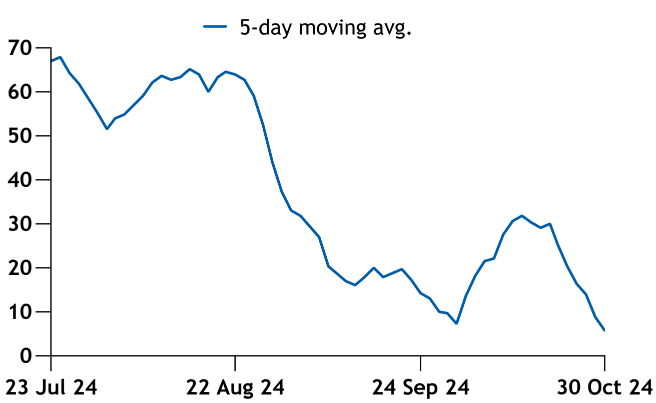
The delivered VLSFO premium against the Singapore 0.5pc sulphur marine fuel value, used as a price basis by Fujairah traders, held steady at $0.25/t as the Singapore market was closed because of a national holiday.

The scrubber spread — the difference between delivered VLSFO-HSFO prices — was assessed at $122/t from $119/t.

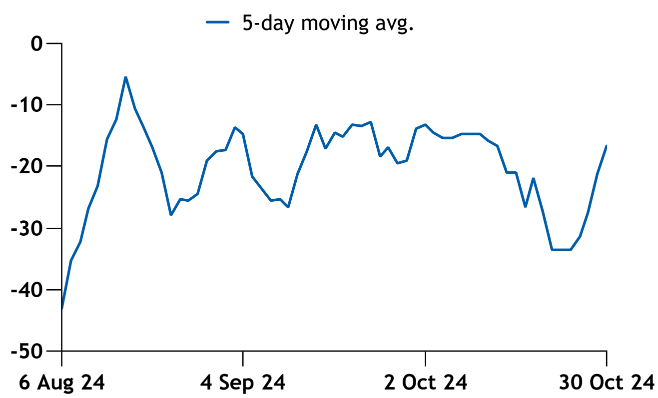
Fujairah: MGO 0.1%S less fuel oil 0.5%S $/t



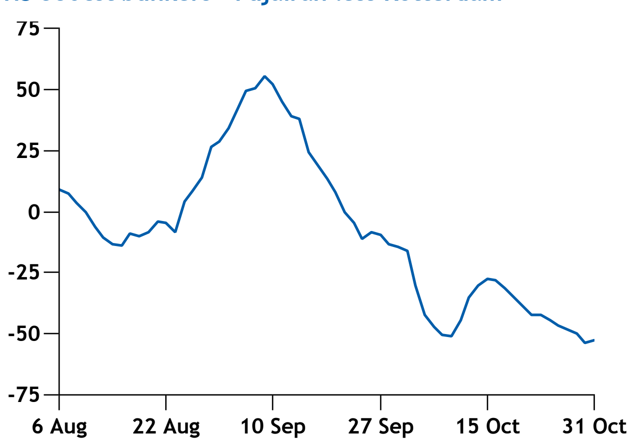
Fuel oil 0.5%S: Tokyo less Zhoushan $/t



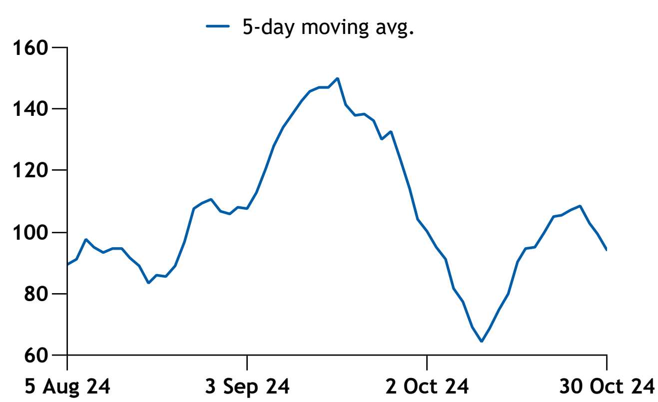
MGO: Singapore less South Korea $/t



HS 380cst bunkers - Fujairah less Rotterdam $/t



MGO: Fujairah less Singapore $/t



EUROPE AND AFRICA

Assessed bunker prices $/t

Location	0.5%S 380cst Low	0.5%S 380cst High	0.5%S 380cst Mid	±	MGO Sulphur max %	MGO Low	MGO High	MGO Mid	±	HS 380cst Low	HS 380cst High	HS 380cst Mid	±
Europe delivered													
ARA VWA			511.25	▲	0.10			656.50		-	-	-	
Reported quantity *t*			450					0					
Diff *to* Ice gasoil	-	-	-			-	-	-12.50	▼	-	-	-	
Rotterdam	-	-	-						▲	490.00	495.00	492.50	▼
Antwerp	-	-	-							490.00	495.00	492.50	▼
Skaw/Gothenburg	538.00	543.00	540.50	▲	0.10	696.50	701.50	699.00	▲	534.50	539.50	537.00	▲
Hamburg	519.00	524.00	521.50	▲	0.10	687.50	692.50	690.00	▲	501.50	506.50	504.00	▲
Algeciras/Gibraltar/ Ceuta VWA			532.00	▼	0.10			702.50		-	-	-	
Reported quantity *t*			850					0					
Gibraltar	540.00	545.00	542.50	▲	0.10	705.00	710.00	707.50	▲	522.50	527.50	525.00	▼
Algeciras	529.50	534.50	532.00	▼	0.10	690.00	695.00	692.50	◄►	515.00	520.00	517.50	▼
Barcelona dob	533.00	538.00	535.50	▲	0.10	685.00	690.00	687.50	▲	577.00	582.00	579.50	▲
Genoa ex-wharf	550.00	555.00	552.50		0.10	720.00	725.00	722.50	▲	485.00	490.00	487.50	▲
Malta	543.50	548.50	546.00		0.10	690.00	695.00	692.50	▲	522.50	527.50	525.00	▲
Piraeus	592.50	597.50	595.00		0.10	683.50	688.50	686.00	▼	492.50	497.50	495.00	▼
Kali Limenes	624.50	629.50	627.00		0.10	790.00	795.00	792.50	▲	542.50	547.50	545.00	▲
Istanbul ex-wharf	592.50	597.50	595.00	▲	0.10	702.50	707.50	705.00	▲	562.50	567.50	565.00	▲
Africa delivered													
Canary islands	556.00	561.00	558.50	▲	0.10	695.00	700.00	697.50	▲	554.00	559.00	556.50	▲
Cape Town*	665.00	670.00	667.50		0.50	967.50	972.50	970.00	▼	-	-	-	
Durban*	752.50	757.50	755.00		0.10	1,032.50	1,037.50	1,035.00	▲	-	-	-	
HS 180cst*										645.00	650.00	647.50	◄►
Lome	655.00	660.00	657.50	◄►	0.10	845.00	850.00	847.50	▲				
Suez	636.50	641.50	639.00	▲	0.10	990.00	995.00	992.50	▲	554.00	559.00	556.50	▲
Russia delivered													
Arkhangelsk†	475.00	510.00	492.50	◄►	0.10	635.00	685.00	660.00	◄►	-	-	-	
Murmansk†	475.00	515.00	495.00	◄►	0.10	635.00	690.00	662.50	◄►	-	-	-	
Krasnodar region†	460.00	520.00	490.00	◄►	0.10	640.00	670.00	655.00	▼	410.00	440.00	425.00	◄►
St Petersburg†	455.00	500.00	477.50	◄►	0.10	610.00	660.00	635.00	▲	330.00	360.00	345.00	◄►
Ust-Luga†	455.00	505.00	480.00	◄►	0.10	620.00	665.00	642.50	▲	330.00	365.00	347.50	◄►
ECA 0.1% fuel oil													
Rotterdam	641.50	646.50	644.00	▲	-	-	-	-		-	-	-	
St Petersburg	515.00	570.00	542.50	◄►	-	-	-	-		-	-	-	
Ust-Luga	515.00	575.00	545.00	◄►	-	-	-	-		-	-	-	

**0.5%S and 3.5%S fuel oil has maximum viscosity of 180cst †0.5%S maximum viscosity not specified*

For a full list of daily, spot bunker deals and firm price quotes collected by Argus globally click here.

Bunker fuel prices mostly rose at European and Africa ports, on the back of higher crude futures prices, despite mostly thin spot bunker fuel demand on Thursday.

Market participants reported thin trading activity because of a Singaporean national holiday. The front-month Ice Brent crude futures contract edged higher to $73.17/bl at 16:30 GMT, from $72.65/bl at the same time in the previous session. The front-month Ice gasoil futures contract rose to $669/t by its settlement, from $658.75/t the previous day.

Barge prices $/t

	Low	High	Mid	±
NWE 0.5% fuel oil fob	499.50	503.50	501.50	▲
NWE 1.0% fuel oil fob	442.75	446.75	444.75	▼
NWE 3.5% RMG fob	475.50	479.50	477.50	◄►
NWE 3.5% RMK fob	-	-	475.00	◄►
NWE 0.1% MGO fob	660.25	664.25	662.25	▲

While very-low sulphur fuel oil (VLSFO) and marine gasoil (MGO) prices rose day-on-day in the ARA trading and refining hub, those for high-sulphur fuel oil held steady. The scrubber

EUROPE AND AFRICA

spread — the difference between VLSFO and HSFO dob bunker fuels in ARA — rose to $18.75/t from $8.50/t in the previous session.

Independently-held fuel oil inventories in the ARA hub rose by 4.2pc to 1.349mn t in the week to 30 October, according to consultancy Insights Global. On the other hand, independently-held gasoil inventories at ARA fell 5.5pc to 2.094mn t in the same week.

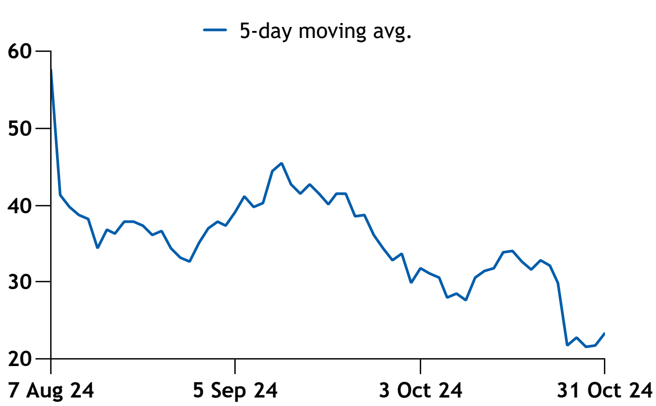
In the Gibraltar-Algeciras-Ceuta (GAC), bunker fuel prices diverged across the grades and the west Mediterranean hub's delivered VLSFO premium to ARA fell to $20.75/t, from $35/t in the previous session.

Marine gasoil (MGO) prices at the Russian Black Sea region of Krasnodar fell on thin trading activity. A trader at one of the Russian Black Sea ports reported selling 300t of VLSFO at $520/t and 150t of MGO at $650/t.

In Piraeus, bunker fuel prices lacked direction despite reportedly firmer spot marine fuel demand at the port. Prompt availability was described as sufficient. Piraeus' MGO margin to Malta flipped to $6.50/t from a premium of $27.50/t at the previous close.

In Istanbul, marine fuel prices rose on the back of firmer spot bunker fuel demand, according to traders, that also reported ample prompt availability. Istanbul's VLSFO premium to Malta fell to $12.50/t, from $28/t in the previous session.

Fuel oil 0.5%S: Gibraltar less Rotterdam *$/t*



European marine biodiesel

Bio-bunker prices were little changed in northwest Europe on Thursday, while premiums to VLSFO narrowed in ARA as buying interest in the 0.5pc sulphur marine fuel grows.

B30 used cooking oil methyl ester (Ucome) delivered on board at the ARA bunkering hub were unchanged on Thursday at $802.50/t. Earlier on in the week, market participants said that conventional oil prices, which underpin biofuel prices and the fossil portion of the blended fuel, had fallen in recent sessions, dragging down outright prices in general. But Ice gasoil and Brent prices both rose for the second day in a row, and VLSFO dob ARA also increased.

B30 bunkers held a $291.25/t premium to conventional VLSFO delivered bunkers without including ETS costs, narrower by $8.25/t on the day because of the rise in the fossil fuel's price. Ships looking to refuel in northwest Europe are opting for lower-sulphur fuel oil grades instead of high-sulphur fuel oil (HSFO) as price spreads between sweet and sour product thin to record levels, market participants said during the session.

B24 Ucome price assessments in the west Mediterranean bunkering hub of Algeciras-Gibraltar rose to $765/t from $762/t on Wednesday. B24 premiums against delivered VLSFO bunkers at the Gibraltar-Algeciras-Ceuta bunkering hub widened by $9/t, to reach $233/t. Market participants have reported very thin demand for biofuel blends in the region over the past few sessions.

And for calculated Advanced fatty acid methyl ester (Fame) 0 blends, prices diverged. B30 Advanced Fame 0 dob ARA rose by $3.89/t to $707.07/t, while B100 Advanced Fame 0 fell by $6.28/t to $1,073.17/t. The premiums to VLSFO and MGO dob ARA, respectively, fell by $4.36/t to $195.82/t and fell by $15.28/t to $416.67/t. Dutch HBE-G renewable fuel ticket prices, which offset some of the cost for Advanced Fame blends in the Netherlands, have been rising this week.

NORTH AMERICA

Assessed bunker prices *$/t*

	0.5%S 380cst				MGO					HS 380cst			
Location	Low	High	Mid	±	Sulphur max %	Low	High	Mid	±	Low	High	Mid	±
Atlantic coast ex-wharf													
Halifax	-	-	-		0.10	914.41	918.41	916.41	▲	-	-	-	
Montreal delivered	616.26	620.26	618.26	▲	0.10	725.91	729.91	727.91	▲	594.00	599.00	596.50	▲
CFR cost*	-	-	-		-	-	-	17.26	◂▸	-	-	-	
New York	537.50	541.50	539.50	▲	0.10	680.00	684.00	682.00	▲	508.00	513.00	510.50	▲
Philadelphia	537.50	541.50	539.50	▲	0.10	675.00	679.00	677.00	▲	508.00	513.00	510.50	▲
Gulf coast ex-wharf													
Houston	510.00	515.00	512.50	▼	0.10	630.00	635.00	632.50	▼	459.00	464.00	461.50	▲
New Orleans†	503.50	508.50	506.00	▼	0.10	610.50	615.50	613.00	▼	435.00	440.00	437.50	▲
Gulf coast delivered													
Houston	519.50	523.50	521.50		0.10	649.00	654.00	651.50	▼	-	-	-	□
New Orleans	-	-	-		0.10	743.50	747.50	745.50	▼	-	-	-	□
West coast ex-wharf													
Los Angeles	568.50	590.50	579.50	–	0.10	664.00	668.00	666.00	▼	458.50	463.50	461.00	▲
Portland	-	-	-		0.10	790.50	795.50	793.00	▲	-	-	-	
San Francisco	658.50	663.50	661.00	▲	0.10	861.50	866.50	864.00	▼	459.50	464.50	462.00	▲
Seattle	593.00	598.00	595.50	▲	0.10	735.50	740.50	738.00	▲	490.00	495.00	492.50	▲
HS 500cst	-	-	-		-	-	-	-		485.00	490.00	487.50	▲
Vancouver‡	590.00	595.00	592.50	▲	0.10	721.00	725.00	723.00	▲	445.00	450.00	447.50	▲
West coast delivered													
Los Angeles	597.00	602.00	599.50	▲	0.10	704.00	708.00	706.00	▲	465.50	470.50	468.00	▲
Portland	-	-	-		0.10	823.50	828.50	826.00	▲	-	-	-	
San Francisco	675.00	680.00	677.50	▲	0.10	881.50	885.50	883.50	▲	486.00	491.00	488.50	▲
Seattle	620.00	625.00	622.50	▲	0.10	758.50	763.50	761.00	▲	498.00	503.00	500.50	▲
HS 500cst	-	-	-		-	-	-	-		493.00	498.00	495.50	▲

**Canadian clean fuel regulation (CFR) marine gasoil compliance cost †0.5%S product viscosity maximum not specified ‡180cst*

North American bunker demand was steady to soft on Thursday. US east coast prices gained, tracing Brent crude. US Gulf coast prices softened marginally because of strong supplier competition.

In Montreal, a ship owner bought 140-210t of marine gasoil (MGO) at $728/t delivered. In Marcus Hook, Pennsylvania, near Philadelphia, 300t of MGO went for $677/t ex-wharf. A supplier offered 400t of MGO at $680/t ex-wharf in Philadelphia and did not sell. In Norfolk, Virginia, 110t of MGO was quoted at $810/t ex-wharf. A 280t MGO enquiry in Charleston, South Carolina, was offered at $733/t ex-wharf.

A clip for 1,200t of very low-sulphur fuel oil (VLSFO) combined with 60t of MGO was offered at $525/t and $662/t ex-wharf, respectively, in Beaumont, Texas.

West coast spot bunker demand was muted because of a holiday in Singapore, which kept down buying interest from some Asian ship owners. In Long Beach, California, a ship owner bought 250t of MGO at $706/t delivered. In Vancouver, British Columbia, 100t of MGO went for $723/t ex-wharf. MGO there was also indicated as high as $729/t ex-wharf.

For a full list of daily, spot bunker deals and firm price quotes collected by *Argus* globally click here.

Barge prices

	Low	High	Mid	±
USG 0.5% fuel oil fob *$/t*	503.77	517.24	510.51	▲
NYH 0.5% fuel oil delivered *$/t*	535.42	538.79	537.11	▲
USG 0.5% fuel oil fob *$/bl*	74.81	76.81	75.81	▲
USG 3.0% fuel oil fob *$/bl*	65.40	67.40	66.40	▲
USG 3.5% fuel oil fob *$/bl*	65.40	67.40	66.40	▲
NYH 0.5% fuel oil delivered *$/bl*	79.51	80.01	79.76	▲
NYH 1.0% fuel oil delivered *$/bl*	71.73	72.60	72.17	▲
NYH 0.5% MGO *¢/USG*	196.27	197.27	196.77	▲

The $/bl and $/t assessments for 0.5% sulphur fuel oil prices in the New York and US Gulf are assessed independent of each other. They are not directly correlated by fixed conversion factors due to density variables.

LATIN AMERICA

Assessed bunker prices *$/t*

	0.5%S 380cst				MGO					HS 380cst			
Location	Low	High	Mid	±	Sulphur max %	Low	High	Mid	±	Low	High	Mid	±
Panama canal ex-wharf	542.00	558.00	550.00	▲	0.10	695.00	700.00	697.50	▲	467.50	472.50	470.00	▲
Atlantic coast delivered													
Belem†	576.00	581.00	578.50	▲	0.50	801.00	806.00	803.50	▼	-	-	-	
Buenos Aires	573.00	578.00	575.50	▲	0.10	1,087.00	1,092.00	1,089.50	▲	-	-	-	
Montevideo	845.00	850.00	847.50	◄►	0.10	900.00	904.00	902.00	◄►	-	-	-	
Paranagua†	599.00	604.00	601.50	▲	0.10	839.00	844.00	841.50	▼	-	-	-	
Rio de Janeiro	604.00	608.00	606.00	▲	0.50	781.00	786.00	783.50	▼	-	-	-	
Rio de Janeiro	-	-	-		0.10	926.00	931.00	928.50	▼	-	-	-	
Santos†	574.00	579.00	576.50	▲	0.10	783.00	788.00	785.50	▼	-	-	-	
Caribbean delivered													
Cartagena	570.00	575.00	572.50	▲	0.10	660.00	665.00	662.50	◄►	504.50	509.50	507.00	▲
Pacific coast delivered													
El Callao	655.00	660.00	657.50	▲	0.10	855.00	860.00	857.50	◄►	-	-	-	
Guayaquil†	669.50	673.50	671.50	◄►	0.50	1,081.00	1,086.00	1,083.50	◄►	478.00	482.00	480.00	◄►
Libertad†	669.00	674.00	671.50	◄►	0.50	1,047.00	1,052.00	1,049.50	◄►	473.00	477.00	475.00	◄►
Quintero/ Valparaiso*	859.00	864.00	861.50	◄►	0.10	975.00	980.00	977.50	◄►	803.00	808.00	805.50	◄►
San Antonio*	863.00	868.00	865.50	◄►	0.10	977.00	982.00	979.50	◄►	804.00	809.00	806.50	◄►

**0.5%S maximum viscosity 180cst †0.5%S maximum viscosity not specified*

Posted bunker prices *$/t*

	0.5%S				MGO					HS 380			
Location	Low	High	Mid	±	Sulphur max %	Low	High	Mid	±	Low	High	Mid	±
Trafigura delivered - valid from 28 October 2024													
Bahia Blanca	-	-	585.00	◄►	0.10	-	-	1,060.00	◄►	-	-	-	
PdV - valid until 09:00, 1 April 2022													
Venezuelan ports ex-wharf/ex-pipe	-	-	-		0.50*	-	-	633.20	◄►	-	-	436.60	◄►
HS 180 cst†										-	-	474.80	◄►

**typical sulphur content †3.5%S fuel oil has maximum viscosity of 180 cst*

Latin American bunker prices lacked direction.

Demand was muted in Chile and Ecuador on Thursday because of national holidays. Chile, Ecuador and Peru are also celebrating holidays on Friday. In El Callao, Peru, an 800t very low-sulphur fuel oil (VLSFO) enquiry was offered at $660/t delivered.

In Rio de Janeiro, Brazil, 100t of VLSFO sold at $606/t delivered. A supplier was offering VLSFO at $578/t delivered in competing Zona Comun, Argentina, and saw no buying interest. Zona comun bunkering operations were hindered by strong winds.

High-sulphur fuel oil availabilities in Panama were tight with only two suppliers offering the fuel. Three clips were reported sold ex-wharf in Panama. VLSFO lots from 100-650t went for $542-$558/t and marine gasoil (MGO) from 80-200t sold at $695-$700/t.

Pemex - valid from 29 October 2024

Location	Basis	HS 180	
		Ps/m3	*$/t*
Lazaro Cardenas	ex-terminal	12,239.36	598.39
Madero	ex-terminal	12,954.23	633.34
Pajaritos	ex-terminal	12,107.15	591.92
Progreso	ex-terminal	12,102.77	591.71
Salina Cruz	ex-terminal	11,935.54	583.53

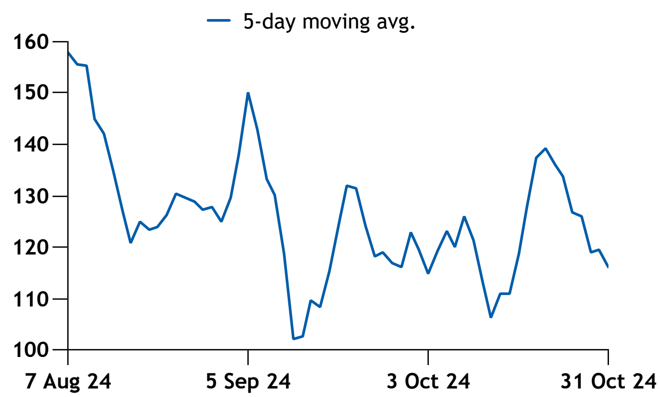
$/t prices are converted, not posted. HS 180 uses conversion factor 0.980m3 for 1t.

LATIN AMERICA

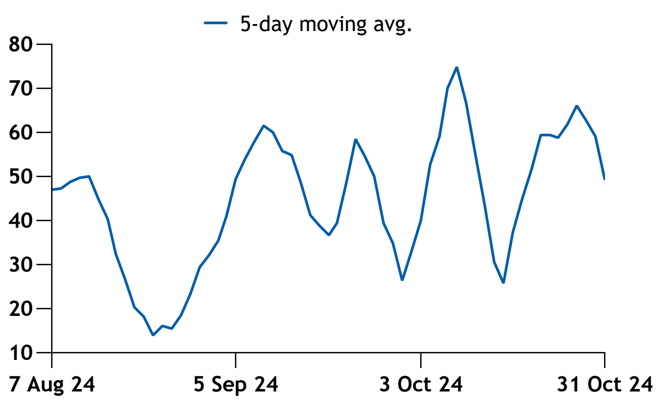
Indications ranged widely in Cartagena, on Colombia's Caribbean coast. Enquiries for 240t and 400t of VLSFO were quoted at $632/t and $575/t delivered, respectively. In Freeport, the Bahamas, 600t of VLSFO was offered at $640/t delivered. A 100t MGO enquiry there was quoted at $925/t delivered.

For a full list of daily, spot bunker deals and firm price quotes collected by *Argus* globally click here.

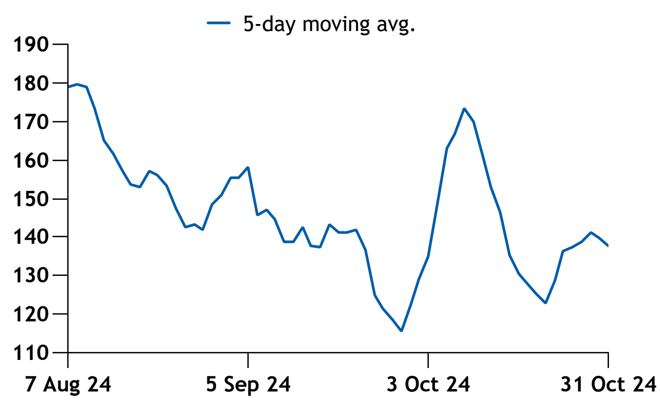
Fuel oil 0.5%S: El Callao less Panama *$/t*



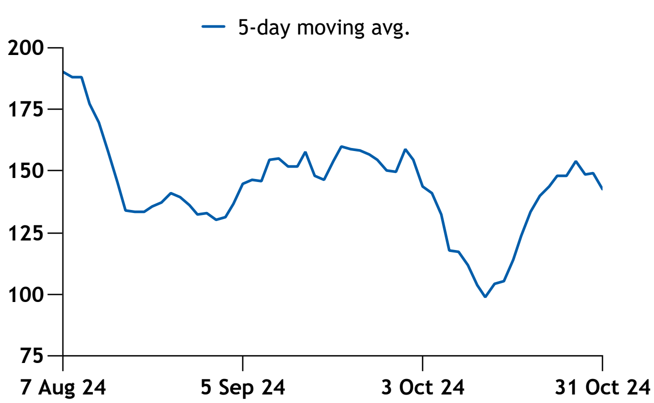
Fuel oil 0.5%S: Cartagena less Panama *$/t*



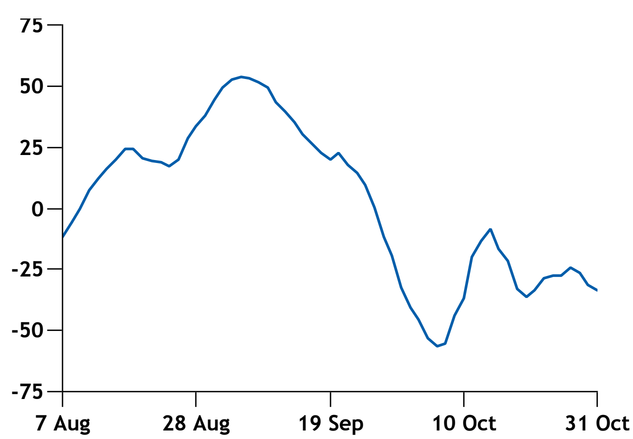
Panama: MGO less fuel oil 0.5%S *$/t*



Fuel oil 0.5%S: Guayaquil less Panama *$/t*



Venezuela del HS 380cst less Panama ex- *$/t*



NEWS

Maersk bunker demand spikes by 14pc in 3Q

Danish ship owner Maersk's bunker consumption jumped by 14pc in the third quarter,
on longer sailing times around the Cape of Good Hope as the Red Sea remained affected by Houthi rebel attacks.

Maersk's bunker demand rose to 2.8mn metric tonnes (t) in the latest quarter compared with 2.5mn t in the third quarter of 2023. Its bunker costs increased by 22pc to $1.79bn in the third quarter from the same period in 2023. On average, the company paid $615/t for bunker fuel, up from $596/t in the third quarter of 2023. Bunkering accounted for 25pc of Maersk's operating costs, up from 22pc in the third quarter of 2023. But its higher operating costs were partially offset by lower port and canal costs associated with reduced Suez Canal transits.

Of the amount Maersk spent on bunkers, $55mn went towards the EU emissions trading system (ETS) regulation. The EU's ETS for marine shipping started this year and requires ship operators pay for 40pc of their greenhouse gas (GHG) emissions generated on voyages in the EU. Next year, ship operators will have to pay for 70pc of their CO_2 emissions.

As of the end of the third quarter, Maersk owned 305 vessels and chartered 411 vessels. In the third quarter, Maersk added two newbuild dual-fuel methanol-powered container ships: *Alette Maersk* and *Alexandra Maersk*. This brought the number of Maersk's methanol-powered vessels to six. The company is aiming for net-zero GHG emissions by 2040.
By Stefka Wechsler

Norwegian Cruise passes biodiesel testing target

US cruise ship operator Norwegian Cruise Line (NCL) narrowly surpassed its 2024 goal of biodiesel testing in its fleet.

The company said 41pc of its fleet was tested with a biodiesel blend, higher than its target of 40pc set for this year and more than double of biodiesel blends tested last year, which totaled 20pc.

"This achievement underscores our commitment to reducing our carbon footprint and exploring innovative solutions for cleaner operations," said NCL chief executive Harry Sommer during the company's third quarter earnings call.

Earlier this year, Spanish marine fuel supplier Moeve, then known as Cepsa, began supplying B24 biofuel to a NCL vessel in Barcelona, Spain.

NCL spent $165mn on marine fuel in the third quarter this year, down 3pc from the same quarter in 2023 at $171mn. So far this year, marine fuel spending is up 1pc to $537mn compared with the same months last year. The company burned 236,000 metric tonnes (t) in the third quarter. It is projecting to use 246,000t of fuel in the fourth quarter of this year.

NCL reported a $475mn profit this quarter, 37pc higher than the third quarter 2023 at $346mn. The company's profit has totaled $656mn so far this year, compared with a $273mn profit at this point in 2023.
By Luis Gronda

Regulation uncertainty buffets China fuel oil

Chinese imports of high-sulphur fuel oil (HSFO) are slowing in response to uncertainty around the country's tax regime, but firm demand for bunker fuel imports is likely to cap the overall decline in fuel oil buying.

Chinese HSFO imports hit a four-month high of 380,000 b/d in September in response to a decline in prices in August, when September arrivals traded. Spot prices for Russian M100 fuel oil fell to $75/bl des Shandong in August from $83/bl in July, while refining margins rose strongly month on month. But HSFO imports appear to have fallen sharply in October owing to uncertainty around taxation.

Shandong's local tax bureau last month issued warning that it plans to partially cancel a consumption tax rebate on HSFO imports, currently paid to refiners that upgrade the product into gasoline and diesel. Refiners lobbied strongly against the move, arguing that the Shandong branch of the tax office has no right to change consumption tax policy. "Consumption tax is a state tax collected by the state taxation administration and should be harmonised nationwide. A single local tax bureau cannot change it. Any change should be made by the central government," a refinery official says.

The local government in Shandong joined the debate on behalf of refiners, which are major contributors to GDP in the province. Local governments would not benefit from any reduction to the consumption tax rebate — consumption taxes are collected by the central government, but local governments get a share of corporate income taxes. This puts Shandong's city authorities at loggerheads with the local tax bureau, which wants to improve national rather than local finances.

Beijing is working on nationwide reforms to consumption taxes aimed at bolstering weak local government finances, but these are unlikely to take effect before 2025. For now,

NEWS

refiners scent victory — or at least a deferral of the problem. Applications made in October for a full rebate of the Yn1,231/t ($26.30) tax paid on fuel oil processed in September — purchased in August — have been accepted, several refiners say. The tax bureau in Dongying, where a number of small independent refineries are located, has offered refiners a 70-80pc rebate of the fuel oil consumption tax — less than the 100pc they receive at present, but better than the 65-75pc rebate it initially offered.

The ongoing debate leaves oil firms worried that applications for rebates on HSFO imported in November-December — purchased in October-November — will be rejected. Tax rebates are granted retrospectively and can only be requested after the fuel oil has been processed — effectively two months after a cargo is bought. That potentially wipes out any refining advantages importers expected at the time of purchase.

Very different situation

By contrast, imports of very-low sulphur fuel oil (VLSFO) used for bonded bunkering are growing strongly, hitting a 22-month high of 130,000 b/d in September. Imports may rise to 150,000 b/d in October, data from oil analytics firm Vortexa show.

China reduced VLSFO export quotas by 200,000t this year, to 13mn t (83mn bl), cutting the amount of bunker fuel that local refiners can supply to ships for international voyages. This has forced firms that supply bunkering vessels in ports such as Zhoushan to go into the Singapore market to secure the VLSFO they need to fulfil their contracts. VLSFO dob prices at Zhoushan were $2.70/bl above those in Singapore in October, in response to tight supply. Export constraints will push Chinese state-owned refiners to reduce the amount of VLSFO they produce to 150,000 b/d in the fourth quarter from 210,000 b/d in September.

VLSFO buying up in NWE

Ships looking to refuel in northwest Europe are opting for lower-sulphur fuel oil grades instead of high-sulphur fuel oil (HSFO) as price spreads between sweet and sour product thin to record levels.

Very-low sulphur fuel oil (VLSFO) price premiums against HSFO are so narrow that bunkering vessels are switching their orders to 0.5pc sulphur bunker fuel, market participants in the Amsterdam-Rotterdam-Antwerp (ARA) bunkering hub said today.

Fob VLSFO barges were assessed at a $13.50/t premium compared with their HSFO counterparts on 28 October. This marks the weakest spread between VLSFO and HSFO – known as the scrubber spread – since *Argus* began assessing VLSFO prices in November 2018.

Participants said it would make economic sense for bunkering vessels to refuel with VLSFO rather than with HSFO given that fob HSFO and VLSFO barges were sometimes trading at the same price at ARA in recent sessions. Vessels with sulphur-scrubbers installed will usually refuel using HSFO when it reaches a discount of $100/t against VLSFO, some participants have previously said.

HSFO has faced a supply crunch in Europe shortly after a period when demand has been growing,. Scrubber spreads have narrowed mainly because of severe HSFO supply tightness. Outright HSFO barge prices rose by over 40pc from 10 September, up to $532/t by 7 October.

By Bob Wigin

Norway's UECC orders two LNG-fuelled vessels

Norway-based vessel operator United European Car Carriers (UECC) has ordered two LNG-fuelled pure car and truck carriers (PCTCs) from China Merchants' Jinling shipyard in Nanjing.

The two carriers are set for delivery in 2028. UECC has also signed an option to order a further two carriers from the same shipyard. The carriers are set to have a capacity of 4500 car equivalent units.

UECC at present has five dual fuel LNG-powered car carrier vessels — *Auto Eco, Auto Energy, Auto Aspire, Auto Achieve* and *Auto Advance*.

The firm also said that its fleet is running a compliance surplus ahead of FuelEU maritime regulations that are set to start next year.

UECC is also buying bio-LNG, having signed an agreement with bunker supplier Titan Clean Fuels earlier this year to buy 1,000t of bio-LNG deliveries.

By Martin Senior

Norden's shipping profits dip in 3Q

Danish shipowner Norden's shipping profits fell in the third quarter because of weaker-than-expected dry bulk and tanker markets.

Norden's third-quarter profits declined to $25.1mn from $98.6mn a year earlier because of rising depreciation paid

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on its assets and the absence of vessel sales gains that it had made a year earlier.

Norden's time charter-equivalent revenues averaged $24,900/d for its Capesize vessels in the quarter, up by 10pc from a year earlier, as the spot market firmed. But Supramax rates fell by 3pc to $14,500/d.

But the company's made an overall loss because depreciation, amortisation and impairment losses rose to $82.7mn from $77.6mn year on year, while profits from vessel sales dropped to zero after recording a level of $7.3mn in 2023.

The overall dry bulk market was weaker than expected, as "the northern hemisphere grain season failed to push the market higher as usually [during the third quarter]", the company said.

Short-term headwinds and Chinese economic uncertainties may lead to the reduction of dry cargo exposure in late 2024 and 2025. Norden expects dry bulk freight rates to remain soft because of lower bauxite exports, the opening of the Panama canal causing lower tonne-miles for Panamax and smaller vessels, as well as low congestion.

But the long-term outlook for the dry bulk market is positive, the company believes, as the orderbook is historically low and global shipyards' capacity is limited.

The company's freight services and trading division, which operates its tanker pool and bulkers, delivered losses of $18mn in the third quarter, down from profits of $30mn in the same period of 2022, as higher dry cargo revenues were partially offset by lower revenues from tanker activities. The firm's assets and logistics division generated $43mn in profit.

Norden has been expanding its dry bulk fleet. Last year it returned to the Capesize market segment of dry bulk shipping after more than seven years to acquire 12 Capesizes, with eight having already been delivered and four more expected in the future. The company aims to operate a fleet of 20-25 Capesizes.

By the end of the third quarter, Norden's owned dry bulk fleet totalled 10 vessels, including eight Capesizes, two Panamaxes and 44 leased ships. The company is expecting the delivery of four Capesizes and five Supramaxes in the future.
By Andrey Telegin

Japanese Mol’s dry bulk profits slide in 3Q

Dry bulk profits for Japanese shipowner Mitsui OSK Line (Mol) fell year on year in July-September, as operational costs climbed higher.

Profits for the dry bulk division fell to ¥2bn ($13.2mn) in the third quarter, down from ¥5.8bn a year earlier. Mol expects dry bulk profits to fall to ¥18bn this financial year, compared with its previous forecast of ¥22bn.

The time charter equivalent (TCE) rate for Mol’s Capesize fleet increased to $24,900/d in July-September from $13,400/d a year earlier. The Panamax TCE rose to $13,900/d from $11,900/d. Handysize and Supramax rates also rose.

“One-time costs for vessel purchases and increased operation costs were incurred,” Mol said. “As a result, profit of the dry bulk business decreased from the previous forecast.” Mol has expanded its Capesize fleet to 82 vessels in September from 78 vessels in March.

The company’s Capesize TCE rate could rise to $26,000/d in October-December and $15,000/d in January-March, Mol outlined. “In the Capesize bulker market, steady shipments of iron ore and bauxite are expected towards the year-end but there is a forecast of a temporary decline in market freight rates from the beginning of the next year due to the rainy season in Brazil. […] The dry bulk business as a whole was revised downward from the previous forecast due to the impact of one-time costs for vessel purchases and increased operation costs incurred in the first half of the fiscal year,” it said.

Panamax, Supramax and Handysize TCE rates are expected to slightly decline in October-December and then fall further in early 2025 — initially supported by grain loadings from North America and fuel loadings for the rest of the year.

Mol currently operates 273 dry bulk carriers, including spot charters and vessels owned by joint ventures, one fewer than in March. Its owned and chartered fleet comprises 82 Capesize, 28 Panamax, 53 Supramax and 29 Handysize vessels, plus 81 other vessels.

Mol might seek an opportunity to sell three LNG carriers and one condensate tanker with ice-breaking capabilities, costing about ¥105bn to the company, which are part of Mol Russia-related business, after the strengthening of sanctions from the US and Europe. The company said it needs to modify the contract schemes of the charter contract for these vessels. They “have started negotiations with the relevant parties. Should the negotiations encounter difficulties, we may be unable to perform these charter agreements. In the event that the charter agreements are discontinued, we will look to sell the vessels to third parties. However, due to the difficulty

NEWS

of converting them for use in other businesses, as they have ice-breaking capabilities, it may be challenging to achieve the sales prices we intend", Mol said.

The company operates LNG carriers *Nikolay Urvantsev*, *Vladimir Vize* and *Vladimir Rusanov* carrying LNG from Yamal, Russia. The first two vessels are supplying the European market, while *Vladimir Rusanov* is typically navigating between Yamal and China, Kpler data show.
By Andrey Telegin

Netherlands tweaks renewable H2 stimulus

The Netherlands is planning to apply a "correction factor" of 0.4 to its "refinery route" stimulus for hydrogen demand, in order to ensure that the measure does not undermine direct use of hydrogen in transport.

The correction factor means that the value of emissions reductions credits generated through the use of renewable hydrogen for transport fuel production would be limited to 40pc of those generated through direct use of renewable hydrogen or derivatives in transport.

The EU last year agreed that at least 1pc of transport fuels must be renewable fuels of non-biological origin (RFNBOs) — effectively renewable hydrogen and derivatives — by 2030. This applies to all fuels supplied in a country, including to aviation and maritime transport.

The Netherlands is one of several EU member states that intends to allow for these mandates to be partially met through use of renewable hydrogen use at refineries.

This "vital" measure unlocks the business case for refiners to substitute costlier renewable hydrogen into their processes, companies have said. The refining sector is the largest user of conventional fossil fuel-based hydrogen today.

But governments must strike a balance to avoid fuel suppliers ignoring the need to supply renewable hydrogen or derivatives directly to mobility sectors — especially for applications that cannot be directly electrified — as this would undermine efforts to clean up transport. Using renewable hydrogen in refineries would be much cheaper than deploying it for transport applications, especially given that the latter would in many cases require extra conversion steps to make derivatives, according to a study by Dutch scientific research body TNO.

As a result, without the implementation of a correction factor producers would be inclined to supply refineries rather than the transport sector, TNO said.

The correction factor of 0.4 is suitable to make direct supply to the transport sector the more economically viable option for producers, while still providing sufficient stimulus for using some renewable hydrogen in refineries, according to the TNO study.

A smaller correction factor could make renewable hydrogen use in refineries too expensive and curb deployment of electrolysers in the Netherlands, but a more generous factor would make the refinery route too attractive and could lead to "direct deployment of RFNBOs in mobility not getting off the ground," secretary of state for infrastructure Chris Jansen concluded based on the study.

The government will update Dutch regulations accordingly, Jansen said. Dutch refiners using renewable hydrogen will be able to generate refinery reduction units (Rare) and trade them with obligated fuel suppliers, whereas the fuel companies will generate emission reduction units (ERE-RFNBO) for direct use.

Jansen said the decision was timed such that potential hydrogen producers can still take it into account in their applications for subsidies in a second competition round which will close at the end of November.

In the Netherlands, the EU's RFNBO mandates could equate to demand of 5.5 PJ/yr in the transport sector by 2030, according to TNO. The country might set separate sub-obligations for RFNBO delivery to road, inland waterways, marine, and aviation sectors, the research body suggested.
By Aidan Lea

US court set to weigh biofuel blend mandates

A US court on Friday will weigh some novel issues that could affect enforcement of the Renewable Fuel Standard (RFS), the federal program that sets minimum biofuel blending levels for domestic motor fuel supplies.

The Environmental Protection Agency (EPA) in last year's RFS regulation required refiners and importers to blend increasing volumes of renewable fuel from 2023-2025. But the rule differed from past obligations in a crucial way. While the RFS law set annual volume targets of cellulosic, advanced and conventional biofuels through 2022, it tasked EPA with setting volumes in subsequent years by balancing factors such as the environmental impacts of biofuels, energy security, expected production and consumer costs.

In a consolidated case to be heard Friday by the US Court

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of Appeals for the District of Columbia Circuit, environmental groups and oil refiners are separately challenging aspects of how the EPA applied those factors in setting 2023-25 volumes. The court has previously affirmed the legality of many RFS rules.

"Past cases always give you some perspective on how the DC court might see it," said Susan Lafferty, a partner at law firm Holland & Knight. "But the DC court could also say, 'not relevant anymore because this is a different part of the statute that we are working with.'"

Refiners say EPA misapplied the criteria, upping compliance costs more than necessary by setting targets for cellulosic and conventional biofuels too high and targets for advanced biofuels too low. They also challenge EPA's balancing of potential impacts, noting that the agency assumed that all parties can easily pass the costs of compliance on to consumers. In a separate case this year, the DC Circuit discarded EPA rejections of program waiver petitions, in part because judges disagreed that refiners can easily pass on the cost of Renewable Identification Number (RIN) credits used to show compliance with the RFS program.

EPA used this pass-through theory in the 2023-2025 rule "like a magic wand, waving it around to dismiss any argument that the rule will cause harm", the American Fuel and Petrochemical Manufacturers and small refineries said in a case filing.

Lafferty expects the judges at Friday's hearing to probe the extent to which EPA's volumes relied on this pass-through theory, "a policy that now this very court has gutted."

Environmentalists have similarly targeted EPA's cost analysis, arguing that the agency downplayed the environmental drawbacks of growing crops for energy. The Center for Biological Diversity and the National Wildlife Federation argue that EPA has legal discretion to set post-2022 volumes for corn- and soybean-derived biofuels as low as zero.

EPA counters that the court owes the agency deference in evaluating scientific data and making predictive judgments. And biofuel groups that have intervened argue that the program is designed to require more biofuel production even if there are no formal volume requirements in law anymore.

While EPA's post-2022 authority to set blend mandates is a new issue, the DC Circuit has handled various cases about EPA's implementation and has generally been deferential to the agency's volume decisions. The court this year upheld 2020-2022 targets. In a 2019 decision, the court kept volumes in place, despite telling EPA to more deeply weigh endangered species impacts. While the court might take issue with some aspects of EPA's latest rule, including the agency's lateness in finalizing volumes, judges could again be reluctant to upend fuel markets if they find only small oversights.

Depending on how skeptical judges appear about EPA's arguments on Friday, the case could cause concern for biorefineries. A decision is expected next year, meaning any order for EPA to better justify its decisions or go back to the drawing board would likely fall to the next president's administration.

On the panel for Friday's hearing are two judges familiar with the program: Democratic appointee Cornelia Pillard, who wrote the opinion this year upholding 2020-2022 blend mandates, and Republican appointee Gregory Katsas, who dissented and said those volumes were excessive. The third judge on the panel is Democratic appointee J. Michelle Childs.

RINcrease or decrease

RIN market activity has thinned as participants await the results of the court case and November's presidential election. In its latest rule, EPA aimed to provide a clearer picture over a longer timeline by finalizing volumes over multiple years. But the agency underestimated the growth in renewable diesel production, partly because of unexpectedly high feedstock imports.

The result has been persistent oversupply, which took D4 biomass-based diesel credit prices from around 150¢/RIN in spring last year to as low as 42¢/RIN a year later according to *Argus* assessments. Multiple refiners have consequently dialed back biofuel production.

In the past, RIN prices have proven sensitive to legal developments as traders anticipate supply and demand shifts. Prices softened this summer after the DC Circuit vacated small refinery waivers, leaving it unclear whether many facilities would have to buy RIN credits at all.

By Cole Martin and Matthew Cope

US sanctions owners of four LNG carriers

The US Treasury Department has sanctioned four companies that own LNG carriers used until recently for exports from the Novatek-led 17.4mn t/yr Yamal LNG project.

The treasury department's Office of Foreign Assets Control on 30 October imposed sanctions on Singapore-based LNG Alpha Shipping, LNG Beta Shipping, LNG Gamma Shipping and

NEWS

LNG Delta Shipping. The companies own the 174,000m³ *North Air, North Mountain, North Sky* and *North Way* LNG carriers, respectively, according to IMO data, all of which were placed under US sanctions in August.

The vessels are of Arc4 ice classification and were used to transport cargoes from Yamal LNG — either loading directly or via transshipment — until the onset of the US' sanctions. The carriers have since been holding in the Barents Sea, east of Novatek's Murmansk transshipment terminal, ship-tracking data from monitoring firm Kpler shows.

The four newly sanctioned companies are under the "care of" Dubai-based White Fox Ship Management, according to IMO data. The firm was also placed under sanctions in August.

The treasury department has imposed sanctions on nine LNG carriers associated with Yamal LNG and the Novatek-led 19.8mn t/yr Arctic LNG 2 project (*see table*). Arctic LNG 2 itself was sanctioned in November 2023. The terminal has loaded eight cargoes to date, although none have been delivered (*see table*).

By Cerys Edwards

S Korea's SHI receives order for one LNG carrier

South Korean shipbuilder Samsung Heavy Industries (SHI) has secured an order for one LNG carrier from an unnamed Asian shipping company.

The order was valued at the equivalent of $259mn, slightly higher than the preceding order valued at $257mn for two carriers.

The vessel is set to be delivered by the end of June 2027. This is the second order placed for SHI set to deliver in 2027, following an order for two LNG carriers placed earlier this month for April 2027 delivery.

SHI received an order earlier this year for 15 174,000m³ carriers to be delivered by October 2028, linked to QatarEnergy's fleet expansion.

By Irfan Jaafar

Mediterranean Aframax rates slump

The Mediterranean Aframax market has dropped to a one-month low this week, driven by an oversupply of vessels in the region as the recent post-blockade Libyan boom fades.

The cross-Mediterranean route surged WS75 points to WS185 ($14.60/t) in early October as the Libyan blockade was lifted, which led to a rush of crude cargoes hitting the market. It stabilised at these levels but but since Monday has dropped WS37.5 points, and has now settled at WS120 ($9.47/t).

The tanker market usually ticks higher in the fourth quarter because of the increased demand for crude but Libyan volumes have not been replaced once booked, which pushed the market lower again.

Libya's removal of force majeure on crude production, led to a flurry of new cargoes hitting the market. Those vessels were previously fixed, but are now back on the market after completing the comparatively short cross-Mediterranean voyage and have created a surplus of available ships at the same time as Libyan cargo numbers have dwindled.

Rates could have reached a floor, as the market was stable in the WS100-120 range for much of September. In addition, high levels of activity in the US Gulf, ship owners may choose to ballast and make the voyage over to the US, where rates are firmer.

This would thin out the availability of vessels, and would allow for rates to rebound.

By Rhys van Dinther

ANNOUNCEMENT

Publishing dates

There will be no marine fuel price data and commentary for the following regions on these dates:

- 31 October for Singapore, South Korea, Japan and Sydney
- 4 November for Japan
- 28-29 November for North America and Latin America
- 2-3 December for the Middle East
- 25 December no global report and price assessments
- 1 January no global report and price assessments

ANNOUNCEMENTS

Argus successfully completes annual Iosco assurance review

Argus has completed the 13th external assurance review of its price benchmarks covering crude oil, oil products, LPG, chemicals, thermal and coking coal, natural gas, biofuels, biomass, metals, fertilizers and agricultural markets. The review was carried out by professional services firm PwC. Annual independent, external reviews of oil benchmarks are required by international regulatory group Iosco's Principles for Oil Price Reporting Agencies, and Iosco encourages extension of the reviews to non-oil benchmarks. For more information and to download the review visit our website https://www.argusmedia.com/en/about-us/governance-compliance

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