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Argus Marine Fuels

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OVERVIEW

- Bunker demand strengthened in Zhoushan as prices softened.
- Buying activity was slow in the Russian Black Sea ports due to inclement weather in the region.
- Bunker availabilities are expected to remain tight for some time in South Africa.

Global marine biodiesel				\$/t
	Low	High	Mid	±
B24 marine biodiesel dob Singapore (VLSFO blend)				
	840.00	855.00	847.50	-15.00
RED marine biodiesel ARA range (VLSFO blend)				
B10 advanced FAME dob	-	-	641.91	-7.32
B20 advanced FAME dob	-	-	662.08	-2.88
B30 advanced FAME dob	-	-	682.24	+1.54
B30 Ucome fob	-	-	784.40	+11.66
B50 advanced FAME dob	-	-	722.57	+10.41
B100 advanced FAME dob	-	-	808.39	+32.57
B30 marine biodiesel dob (ULSD* blend)				
Houston	-	-	912.07	-5.81
New York	-	-	932.58	-4.60

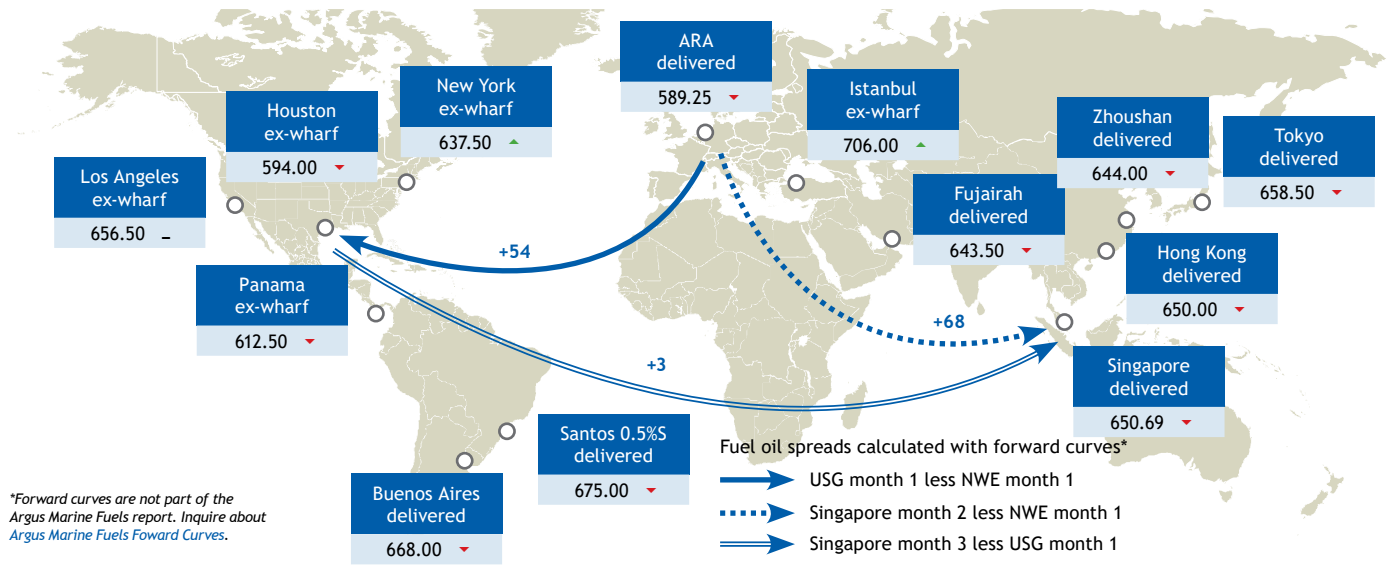
*ultra-low sulphur diesel

Key conventional bunker assessments, midpoint				
	Delivery	0.5%S fuel oil	MGO	3.5%S fuel oil
Singapore \$/t	cargo, fob	634.00	-	453.00
	bunker, dob*	650.69	848.00	467.75
Zhoushan \$/t	bunker, dob*	644.00	890.00	480.00
Fujairah \$/t	barge, fob	638.00	-	-
	bunker, dob*	643.50	930.00	449.00
ARA \$/t	bunker, dob*	589.25	837.50	-
Rotterdam \$/t	bunker, dob	-	-	503.25
NW Europe \$/t	barge, fob	571.75	849.50	467.50
US Gulf \$/bl	barge, fob	91.63	-	74.30
US Gulf \$/t	barge, fob	617.04	-	-
Houston \$/t	bunker, ex-wharf	594.00	880.00	480.50
Houston \$/t	bunker, dob	606.50	898.00	-
New York \$/bl	barge, dob	91.38	-	-
New York \$/t	barge, dob	615.36	-	-
New York \$/t	bunker, ex-wharf	637.50	955.00	527.50
Los Angeles \$/t	bunker, ex-wharf	656.50	997.50	453.00
	bunker, dob	689.50	1,047.50	486.50
Panama \$/t	bunker, ex-wharf	612.50	916.50	492.50

*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

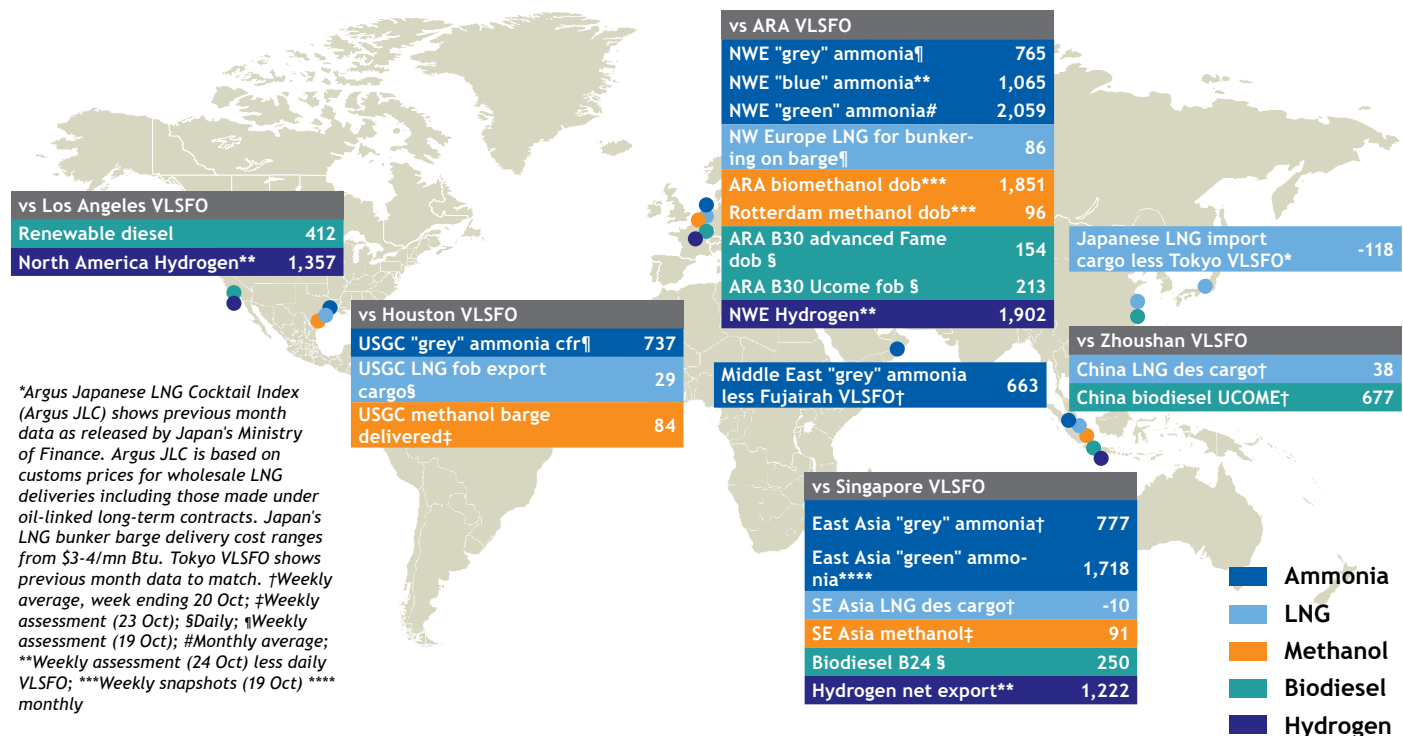
\$/t



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

ALTERNATIVE MARINE FUEL VS VLSFO

\$/t VLSFO-equivalent



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 20 Oct				
Grey ammonia East Asia (excl Taiwan) cfr	36.82	1,454.33	1,493.07	1,404.79
Green ammonia East Asia cfr, monthly, Sep	59.98	2,369.10	2,432.20	-
Methanol Southeast Asia delivered, weekly assessment, 23 Oct	19.46	768.58	789.05	742.39
LNG des Southeast Asia (ASEA) half-month net calorific value-adjusted	16.89	667.01	684.78	644.29
Singapore 0.5%S fuel oil delivered	17.15	677.30	-	-
Singapore 0.1%S MGO delivered	21.88	-	887.45	-
Singapore 3.5%S fuel oil delivered	12.88	-	-	491.40
Biodiesel B24 (VLSFO blend) Singapore delivered	22.81	900.97	924.97	870.27
Biodiesel UCOME (used cooking oil) RED bulk China fob	34.12	1,342.71	1,408.89	-
LNG des China half-month net calorific value-adjusted	17.89	704.11	738.81	-
Zhoushan 0.5%S fuel oil delivered	16.93	666.20	-	-
Zhoushan 0.1%S MGO delivered	22.27	-	919.80	-
Ammonia Middle East fob spot	33.35	1,321.69	1,361.21	-
Fujairah 0.5% fuel oil delivered	16.61	658.30	-	-
Fujairah 0.1% MGO delivered	23.22	-	947.60	-
Monthly average				
Japanese LNG cocktail (JLC) preliminary, net calorific value-adjusted, Aug	13.25	558.37	-	-
Tokyo 0.5%S fuel oil delivered, Sep	16.04	675.95	-	-

ALTERNATIVE VS CONVENTIONAL MARINE FUEL

NW Europe energy equivalent comparisons					
	\$/mn Btu	\$/t 0.5%S FOe	\$/t MGOe	\$/t	CO2 % price increase
NWE grey ammonia wholesale excluding duty, cfr, weekly assessment, 19 Oct	34.66	1,361.49	1,398.78	-	-
NWE blue ammonia modeled value, wholesale, ex-works, weekly, 24 Oct	42.10	1,653.78	1,699.08	-	-
NWE green ammonia modeled value, wholesale, duty paid, cfr, monthly avg Sep*	67.59	2,655.10	2,727.82	-	-
ARA B100, advanced Fame delivered, snapshot, 19 Oct	26.06	1,023.76	1,051.80	815.15	-
ARA B30 (advanced Fame VLSFO blend), delivered, snapshot, 19 Oct	19.11	750.58	771.14	689.35	-
ARA B30 (Ucome and VLSFO blend), fob, snapshot, 19 Oct	25.81	1,013.87	1,041.64	807.28	-
Rotterdam grey methanol delivered, snapshot, 19 Oct	17.63	692.65	711.62	-	-
RED bio-methanol delivered ARA netback, snapshot, 19 Oct	62.30	2,447.13	2,514.14	-	-
NWE LNG bunker, delivered on barge, weekly assessment, 19 Oct	17.39	682.94	701.64	-	-
NWE LNG bunker, delivered on truck, weekly assessment 19 Oct	16.77	658.57	676.60	-	-
ARA 0.5%S fuel oil retail, delivered, snapshot, 19 Oct	15.19	596.50	-	-	-
ARA 0.1%S MGO retail, delivered, snapshot, 19 Oct	21.45	-	865.50	-	-
CO2 added combustion cost, snapshot, 19 Oct†					
EU CO2	-	-	-	85.83	-
Rotterdam grey methanol delivered including CO2 cost, snapshot, 19 Oct	23.89	938.43	964.13	-	35%
RED bio-methanol delivered ARA netback including CO2 cost, snapshot, 19 Oct	68.55	2,692.91	2,766.66	-	10%
ARA B30, delivered, including CO2 cost, snapshot, 24 Oct	23.57	925.76	946.00	867.54	25%
NWE LNG bunker, delivered on barge including CO2 cost, snapshot, 19 Oct	21.89	859.86	883.41	-	26%
NWE LNG bunker, delivered on truck including CO2 cost, snapshot, 19 Oct	21.27	835.49	858.37	-	27%
ARA 0.5%S fuel oil retail, delivered including CO2 cost, snapshot, 19 Oct	22.07	866.94	-	-	47%
ARA 0.1%S MGO retail, delivered including CO2 cost, snapshot, 19 Oct	28.26	-	1,140.67	-	36%

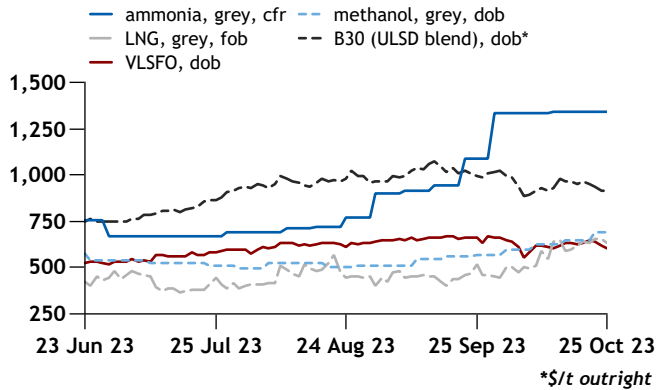
*Monthly calculated price. For more information about ammonia inquire about the Argus Ammonia report
†1t of 0.5%S fuel oil emits 3.151t of CO2, 1t of MGO emits 3.206t of CO2, according to IMO's 2014 guidelines. 1t of LNG emits 2.755t of CO2, and 1t of methanol and biomethanol emits 1.375t of CO2 from burning, according to EU's renewable and low-carbon fuels in marine transport directive. For news and analysis 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, 19 Oct	33.24	1,343.01	1,444.37	-	
US Gulf methanol barge delivered, weekly assessment, 23 Oct	17.10	690.96	743.11	-	
US Gulf LNG fob net calorific value-adjusted	15.72	635.17	683.10	-	
Houston B30 (ULSD blend) delivered	23.88	-	1,037.69	912.07	
Houston 0.5%S fuel oil ex-wharf	14.70	594.00	-	-	
Houston 0.5%S fuel oil delivered	15.01	606.50	-	-	
Houston 0.1%S MGO ex-wharf	20.26	-	880.00	-	
Houston 0.1%S MGO delivered	20.67	-	898.00	-	
New Orleans 0.5%S fuel oil ex-wharf	14.85	600.00	-	-	
New Orleans 0.1%S MGO ex-wharf	20.60	-	895.00	-	
New Orleans 0.1%S MGO delivered	22.27	-	967.50	-	
Los Angeles renewable diesel (R99) delivered	27.25	1,101.04	1,184.14	-	
Los Angeles 0.5%S fuel oil delivered	17.07	689.50	-	-	
Los Angeles 0.1%S MGO delivered	24.11	-	1,047.50	-	
New York B30 (ULSD blend) delivered	24.42	-	1,061.02	932.58	
New York 0.5%S fuel oil ex-wharf	15.78	637.50	-	-	
New York 0.1%S MGO ex-wharf	21.98	-	955.00	-	

ALTERNATIVE MARINE FUELS

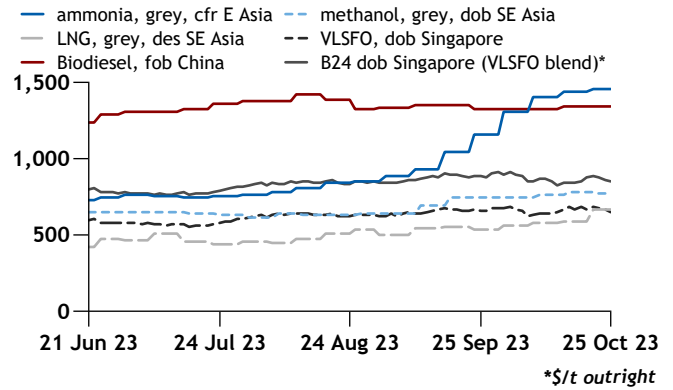
US Gulf alt fuels vs VLSFO

\$/t VLSFOe



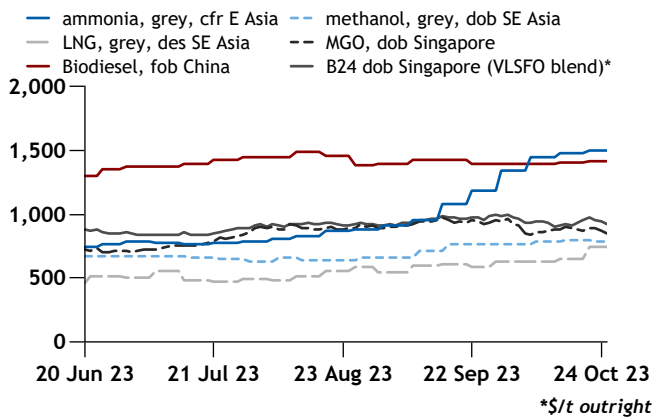
Asia alt fuels vs VLSFO

\$/t VLSFOe



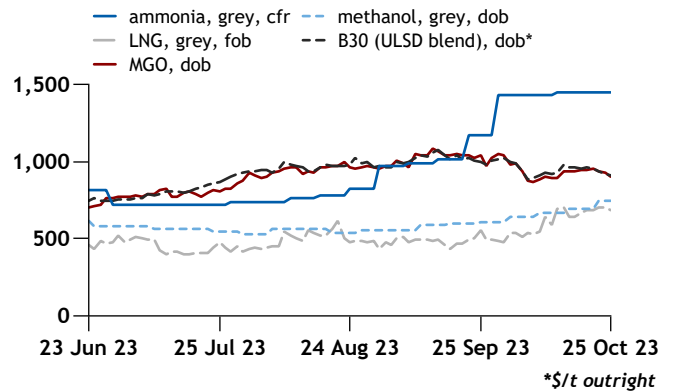
Asia alt fuels vs MGO

\$/t MGOe



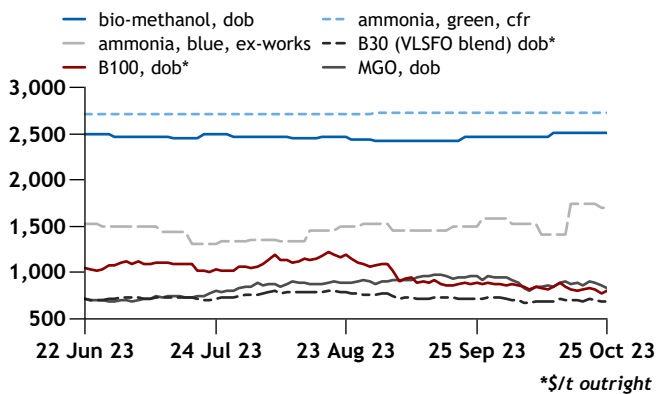
US Gulf alt fuels vs MGO

\$/t MGOe



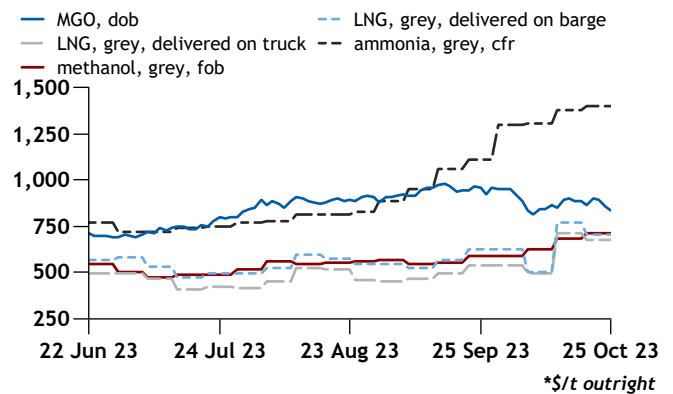
NW Europe "green/blue" alt fuels vs MGO

\$/t VLSFOe



NW Europe "grey" alt fuels vs MGO

\$/t MGOe



ASIA-PACIFIC

Singapore

Bunker fuel prices in Singapore fell for the second consecutive day in line with weaker crude futures. Ice Brent crude futures added to its losses and fell by \$1.65/bl to \$88.05/bl at 4.30pm Singapore time.

Trading was more limited in Singapore compared with the previous session with 7,520t sold in seven transactions.

Marine gasoil prices fell the most by \$22/t compared with other grades, with prices assessed at \$848/t delivered on board (dob) based on one 500t lot sold at this level.

The hi-5 spread was at \$182.94/t, lower than \$188/t on 24 October. There was a sharper fall of \$12.31/t in very-low sulphur fuel oil (VLSFO) prices to \$650.69/t dob versus the \$7.25/t drop in high-sulphur fuel oil prices. But trading was more active for VLSFO with four deals totaling 3,750t sold in a \$649-653/t range.

Singapore assessed bunker prices

Grade	HS 380cst	LSFO 0.5%S	MGO 0.1%S
Assessment VWA \$/t	467.75	650.69	848.00
Reported quantity t	3,200	3,750	570
	Low	High	Mid
HS 500cst \$/t	460.25	465.25	462.75
B24 biodiesel VLSFO blend \$/t	840.00	855.00	847.50

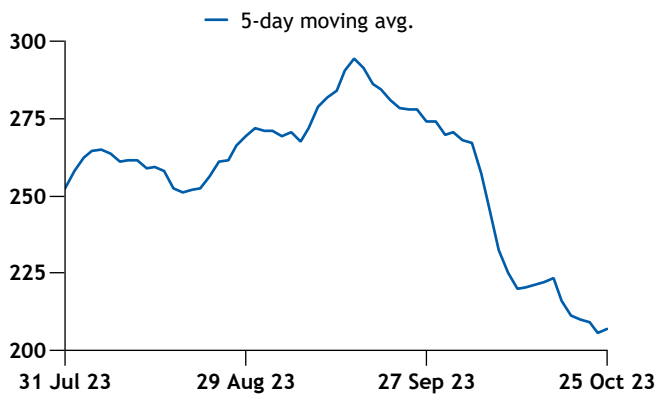
Singapore cargo prices

	Low	High	Mid	±
Singapore 0.5%S 30cst min fuel oil fob	633.50	634.50	634.00	▼
Singapore 3.5%S 180cst fuel oil fob	468.75	469.75	469.25	▼
Singapore 3.5%S 380cst fuel oil fob	452.50	453.50	453.00	▼

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

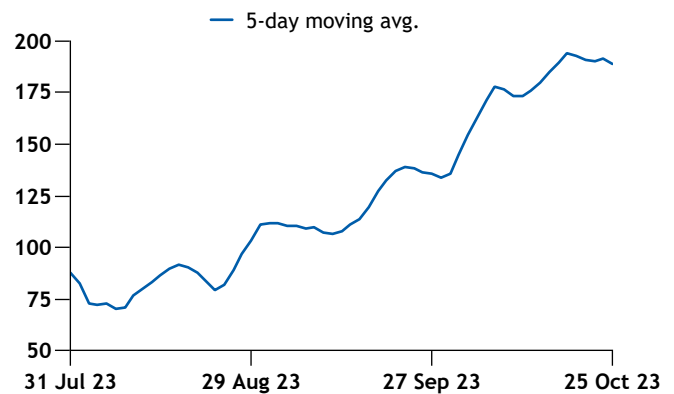
Singapore: MGO 0.1%S less fuel oil 0.5%S

\$/t



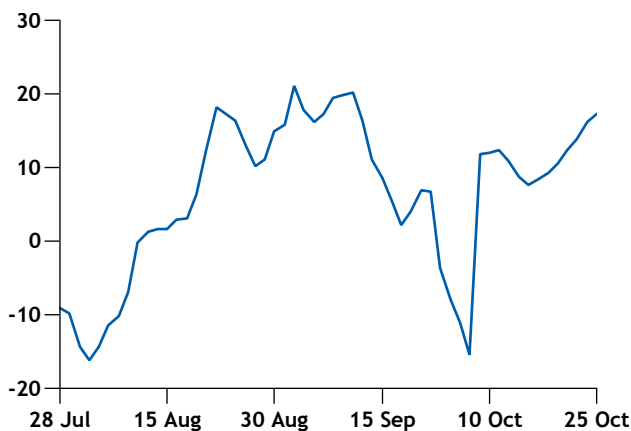
Singapore: fuel oil 0.5%S less fuel oil 3.5%S

\$/t



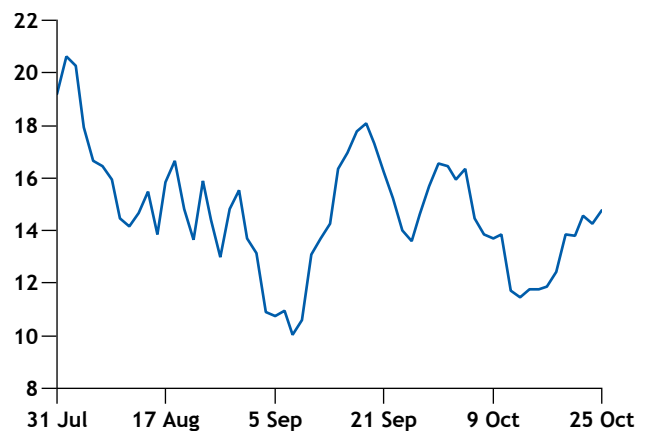
HS 380cst bunkers - Shanghai less Singapore

\$/t



Singapore - 380cst bunkers less bulk cargoes

\$/t



ASIA-PACIFIC

Assessed bunker prices													\$/t
Location	0.5%S 380cst				Sulphur max %	MGO				HS 380cst			
	Low	High	Mid	±		Low	High	Mid	±	Low	High	Mid	±
China delivered													
Guangzhou	645.00	655.00	650.00	▼	-	-	-	-	-	-	-	-	-
Hong Kong			650.00	▼	0.05	845.00	855.00	850.00	▼	465.00	475.00	470.00	▼
Reported quantity t			0	◀ ▶									
Qingdao	680.00	690.00	685.00	▼	-	-	-	-	-	480.00	490.00	485.00	▼
Shanghai			647.50	▼	0.10	895.00	905.00	900.00	▼	480.00	490.00	485.00	▼
Reported quantity t			1,000	▼									
Asia-Pacific (other) delivered													
Russian far east	610.00	660.00	635.00		0.10	830.00	870.00	850.00	◀ ▶	470.00	490.00	480.00	◀ ▶
Ulsan/Busan/Yeosu	657.50	662.50	660.00	▼	0.10	846.50	851.50	849.00	▼	496.50	501.50	499.00	▼
Sydney	945.69	950.69	948.19	▼	0.10	993.00	998.00	995.50	▼	762.75	767.75	765.25	▼
Tokyo*	656.00	661.00	658.50	▼	-	-	-	-	-	535.00	540.00	537.50	▼
Indian Ocean delivered													
Mumbai	704.00	706.00	705.00		0.10	1,330.00	1,350.00	1,340.00	▲	609.00	611.00	610.00	▲

*0.5%S maximum viscosity 180cst

Posted bunker prices													\$/t
Location	0.5%S 380cst				Sulphur max %	MGO				HS 380cst			
	Low	High	Mid	±		Low	High	Mid	±	Low	High	Mid	±
Saudi Aramco delivered													
Saudi Arabia eastern region	-	-	719.00	▼	0.05	-	-	1,164.00	▼	-	-	619.00	▼
Saudi Arabia western region	-	-	719.00	▼	0.10	-	-	1,164.00	▼	-	-	619.00	▼

Fujairah assessed bunker prices			
	HS 380cst	LSFO 0.5%S	MGO 0.1%S
Assessment \$/t	449.00	643.50	930.00
Reported quantity t	1,500.00	4,680.00	490.00

Zhoushan			
	HS 380cst	LSFO 0.5%S	MGO 0.1%S
Bunker Index, delivered \$/t	480.00	644.00	890.00
Reported quantity t	0.00	9,450.00	0.00
Barge, ex-wharf \$/t	-	650.00	-

The spread between delivered HS380cst and the front-month Ice Brent futures contract edged down to -\$14.39/t compared with -\$14.90/t on 24 October.

B24 biofuel bunker prices in Singapore ended the day on a weaker note at \$840-855/t in line with the fall of \$11.50/t in VLSFO cargo prices to \$634/t. No indications emerged for B24.

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

CPC, Taiwan, delivered, valid from 25 Oct				\$/t
Location	3.5%S	0.5%S	0.1%S	MGO
	380cst	180cst		
Hualien, Suao*	-	698.00	940.00	
Keelung	-	698.00	940.00	
Taichung	-	698.00	940.00	
Kaohsiung	523.00	698.00	940.00	

*Hualien, Suao MGO is 0.5%S maximum

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	689.50	754.20	1,736.00		1,140.00
Surabaya	698.90	754.30	1,784.00		1,130.00
Balikpapan	707.50	773.60	-		1,212.00
Benoa	-	-	1,798.00		1,198.00
Batam	-	-	1,540.00		-

*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

China

Delivered bunker prices continued to fall across China in line with lower Singapore fuel oil cargo prices.

Spot demand for very low sulphur fuel oil (VLSFO) rebounded sharply because key suppliers in Zhoushan promoted sales at low prices. Reported trading volume surged by 6,000t from a day earlier to 9,450t, while prices fell to \$644/t from \$654/t on 24 October.

No high-sulphur fuel oil (HSFO) deal was reported in Zhoushan and assessed prices fell to \$480/t from \$485/t on 24 October.

The scrubber spread – or the difference between VLSFO and HSFO prices – in Zhoushan narrowed to \$164/t from \$169/t in the previous session.

Demand was lacklustre in Shanghai with two VLSFO deals totalling 1,000t reported fixed at \$645-650/t.

The spot bunker market for VLSFO in Guangzhou did not lack buying enquiries. But only two deals totalling 460t were reported done at \$650/t by 7.30pm Beijing time.

Japan

Very low-sulphur fuel oil (VLSFO) prices dropped in Tokyo, reflecting weaker crude values from the previous day. Offers were placed at \$661/t or higher for early-November delivery in Tokyo, down by \$24/t from 24 October.

Bunker delivery in the country’s central Chukyo area could be tight during the end of October and early November because of limited supply from 255,000 b/d Showa Yokkaichi Oil, which is 75pc owned by refinery Idemitsu. Deliveries in Setouchi region also could tighten owing to Eneos’ refinery issues and a turnaround in November, traders said.

Prices for 380cst high-sulphur fuel oil also fell by \$10/t from the previous session to \$535-540/t on the back of a drop in crude prices.

Middle East

Fujairah suppliers and trading firms submitted eight delivered spot bunker deals for 6,670t of marine fuels, compared with six deals for 5,640t in the previous trading session.

The deals comprised 4,680t of very low-sulphur fuel oil (VLSFO) and 1,500t of high-sulphur fuel oil (HSFO) and 490t of low-sulphur marine gasoil (LSMGO).

VLSFO and HSFO prices fell again, but delivered VLSFO premiums firmed.

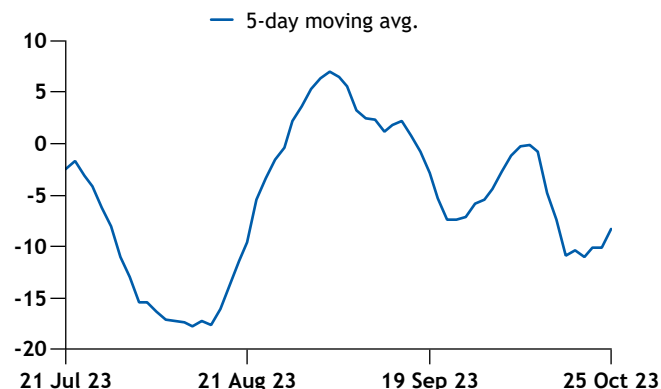
The delivered VLSFO premium to the Singapore 0.5pc marine fuel value, used as a price basis by Fujairah traders, rose to \$9.50/t from \$3.50/t previously.

One prompt VLSFO clip was also sold at \$650/t, which was \$16/t than the price basis. The lowest VLSFO deal at \$633/t was for a small clip for mid-November delivery from Khor Fakkan.

The scrubber spread – the difference between delivered VLSFO-HSFO prices – narrowed to \$194.50/t from \$197/t in the previous session.

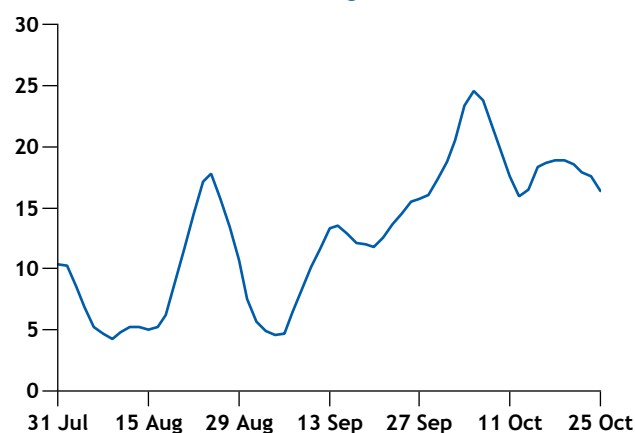
Fuel oil 0.5%S: Zhoushan less Singapore

\$/t



Mideast Gulf - 180cst bulk cargoes less 380cst

\$/t



EUROPE AND AFRICA

Assessed bunker prices														\$/t
Location	0.5%S 380cst				Sulphur max %	MGO				HS 380cst				
	Low	High	Mid	±		Low	High	Mid	±	Low	High	Mid	±	
Europe delivered														
ARA VWA			589.25	▼	0.10			837.50		-	-	-		
Reported quantity t			0					0						
Diff to Ice gasoil			-					-42.00	▼					
Rotterdam			-					-	▼	500.75	505.75	503.25	▼	
Antwerp			-					-	▼	500.75	505.75	503.25	▼	
Skaw/Gothenburg	627.50	632.50	630.00	▲	0.10	927.50	932.50	930.00	▲	549.00	554.00	551.50	▼	
Hamburg	621.00	626.00	623.50	▲	0.10	902.50	907.50	905.00	▼	572.50	577.50	575.00	▼	
Algeciras/Gibraltar/Ceuta VWA			623.00	▼	0.10			913.75		-	-	-		
Reported quantity t			450					100						
Gibraltar	629.50	634.50	632.00	▲	0.10	918.00	923.00	920.50	▼	573.25	578.25	575.75	▲	
Algeciras	612.50	617.50	615.00	▼	0.10	907.50	912.50	910.00	▼	578.25	583.25	580.75	▲	
Barcelona ex-wharf	613.00	618.00	615.50	▼	0.10	909.00	914.00	911.50	▼	540.00	545.00	542.50	▼	
Genoa ex-wharf	625.00	630.00	627.50		0.10	962.50	967.50	965.00	▼	545.00	550.00	547.50	▼	
Malta	615.50	620.50	618.00		0.10	895.50	900.50	898.00	▼	571.50	576.50	574.00	▼	
Piraeus	665.50	670.50	668.00		0.10	950.00	955.00	952.50	▼	511.50	516.50	514.00	▼	
Kali Limenes	668.00	673.00	670.50		0.10	995.50	1,000.50	998.00	▼	595.00	600.00	597.50	▼	
Istanbul ex-wharf	703.50	708.50	706.00	▲	0.10	972.50	977.50	975.00	▼	685.00	690.00	687.50	◀ ▶	
Africa delivered														
Canary islands	621.50	626.50	624.00	▼	0.10	912.50	917.50	915.00	▼	595.00	600.00	597.50	▼	
Cape Town*	775.00	780.00	777.50		0.50	1,205.00	1,210.00	1,207.50	▲	-	-	-		
HS 180cst*										676.50	681.50	679.00	▼	
Durban*	806.50	811.50	809.00		0.10	1,152.25	1,157.25	1,154.75	▲	-	-	-		
HS 180cst*										689.00	694.00	691.50	▼	
Lome	665.50	670.50	668.00	▼	0.10	999.25	1,004.25	1,001.75	▼					
Suez	727.00	732.00	729.50	▲	0.10	1,247.50	1,252.50	1,250.00	▲	638.50	643.50	641.00	▼	
Russia delivered														
Arkhangelsk†	570.00	590.00	580.00	◀ ▶	0.10	870.00	910.00	890.00	◀ ▶	-	-	-		
Murmansk†	570.00	590.00	580.00	◀ ▶	0.10	870.00	910.00	890.00	◀ ▶	-	-	-		
Novorossiysk†	520.00	560.00	540.00	▼	0.10	820.00	850.00	835.00	▼	400.00	420.00	410.00	◀ ▶	
St Petersburg†	530.00	570.00	550.00	◀ ▶	0.10	690.00	770.00	730.00	◀ ▶	375.00	420.00	397.50	◀ ▶	
Ust-Luga†	540.00	575.00	557.50	◀ ▶	0.10	690.00	785.00	737.50	◀ ▶	400.00	450.00	425.00	◀ ▶	
ECA 0.1% fuel oil														
Rotterdam	822.50	827.50	825.00	▼	-	-	-	-		-	-	-		
St Petersburg	675.00	700.00	687.50	◀ ▶	-	-	-	-		-	-	-		
Ust-Luga	675.00	700.00	687.50	◀ ▶	-	-	-	-		-	-	-		

*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](#).

Delivered bunker prices in Europe and Africa continued to lose ground on the back of ample supply and muted activity.

Market participants adopted different strategies on Wednesday in the face of a volatile market.

Buyers were hesitant to commit to buying, as uncertainty drove price volatility. Some sought to secure volumes after prices fell on the day in case of a recovery in prices but others took to the side-lines in anticipation of still lower prices.

Traders looked to crude prices for insights on likely trends

Barge prices				\$/t
	Low	High	Mid	±
NWE 0.5% fuel oil fob	569.75	573.75	571.75	▲
NWE 1.0% fuel oil fob	514.25	518.25	516.25	▲
NWE 3.5% RMG fob	465.50	469.50	467.50	▼
NWE 3.5% RMK fob	-	-	470.50	▼
NWE 0.1% MGO fob	847.50	851.50	849.50	▼

in bunker prices. The Ice December Brent crude contract settled at \$88.46/bl at 16:30 (BST) on Wednesday, up by 63¢/bl from the same time on Tuesday, but down by \$1.75/bl from

EUROPE AND AFRICA

today’s intraday trading session low at 16:04. Acute fluctuation obscured any conclusion.

Participants turned also to US oil products data released in the day by the Energy Information Administration, when crude stockpiles rose in the week ending on 13 October. The market’s uncertainty is further compounded by the ongoing conflict in the Middle East, and uncertainty over possible escalation.

In the Amsterdam-Rotterdam-Antwerp (ARA) bunkering hub, demand revived slightly on the day, and availability of product improved, said traders. But in Skaw, participants saw insufficient supply. Premiums for all fuel grades in Skaw over ARA strengthened – VLSFO by \$35.75/t to \$40.75/t and MGO by \$28/t to \$92.50/t. In Skaw, 270t of VLSFO sold for \$630/t and 150t of MGO sold for \$930/t for delivery on 1 November. The port has attracted attention away from other Baltic ports since the EU’s ban on importing Russian products.

In the Mediterranean, demand fluctuated throughout the region, and availability was mostly sufficient. In Las Palmas, 1,000t of VLSFO traded at \$624/t and 200t of MGO at \$915/t for delivery on 30 October. A trader noted that a delivery of HSFO is scheduled in Las Palmas for the end of the month, which may alleviate the strain on supply.

Volumes have been diverted to the Canary Islands since inclement weather and higher prices have limited bunkering in the Gibraltar-Algeciras-Ceuta (GAC) bunkering hub, according to participants. Premiums for MGO and VLSFO in Las Palmas over GAC have narrowed by \$7.50/t to \$1.25/t and by \$19.50/t to \$20/t from the previous session.

Traders also suggested that price volatility had deterred

sellers in Algeciras from offering volumes. In Algeciras, 300-400t of VLSFO sold for \$615/t and 100t of MGO sold for \$910/t for delivery on 31 October. In Ceuta, 100t of VLSFO traded at \$628/t for delivery on 29 October.

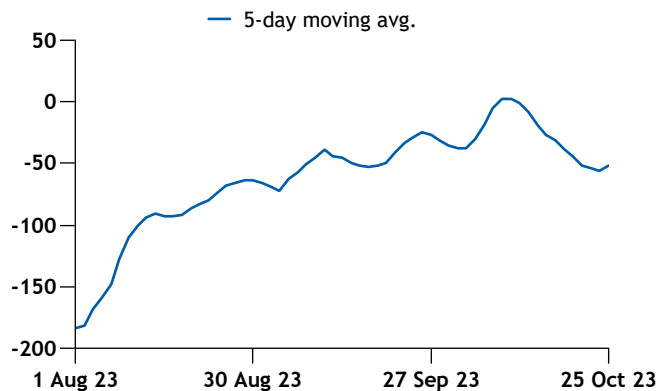
In Piraeus, traders observed lower demand as buyers had already secured required volumes earlier in the week. In Piraeus, 700t of VLSFO sold for \$668/t and 850t of HSFO sold for \$514/t for delivery on 28-31 October. In Malta, 400t of VLSFO traded at \$618/t and 40t of MGO at \$898/t for delivery on 29 October. In Kali Limenes, 150t of MGO sold for \$998/t for delivery on 31 October.

In Istanbul, 100t of MGO traded at \$975/t for delivery on 27 October.

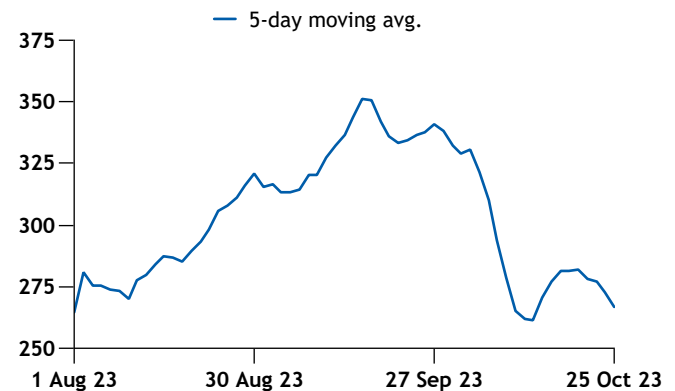
In South Africa, market participants anticipate tight supply to remain for some time, even as bunkering operations may be tentatively resuming in Algoa Bay. In Durban, 300t of VLSFO sold for \$809/t for delivery on 7 November.

VLSFO and MGO prices at Russian Black Sea ports slipped on Wednesday, tracking losses at the Mediterranean ports. Buying activity was slow on the day due to inclement weather in the region. A shipowner in Novorossiysk requested 600t of VLSFO. Another shipowner in Caucasus sought 300-400t of VLSFO. Local bunkering companies offered VLSFO at \$540/t. A trader in Novorossiysk reported selling 100-200t of MGO at \$820/t.

Fuel oil 0.5%S: St Petersburg less Rotterdam \$/t



Rotterdam: MGO less fuel oil 0.5%S \$/t



NORTH AMERICA

Assessed bunker prices													\$/t
Location	0.5%S 380cst				Sulphur max %	MGO				HS 380cst			
	Low	High	Mid	±		Low	High	Mid	±	Low	High	Mid	±
Atlantic coast ex-wharf													
Halifax	-	-	-		0.10	1,252.00	1,256.00	1,254.00	▼	-	-	-	
Montreal delivered	755.00	760.00	757.50	▲	0.10	955.00	960.00	957.50	▼	641.00	650.00	645.50	▲
CFR cost*	-	-	-		-	-	-	17.34	▲	-	-	-	
New York	635.00	640.00	637.50	▲	0.10	953.00	957.00	955.00	▲	525.00	530.00	527.50	▲
Philadelphia	618.00	622.00	620.00	▼	0.10	918.00	922.00	920.00	▼	530.00	535.00	532.50	▲
Gulf coast ex-wharf													
Houston	592.00	596.00	594.00	▼	0.10	878.00	882.00	880.00	▼	478.00	483.00	480.50	▼
New Orleans†	598.00	602.00	600.00	▼	0.10	885.00	905.00	895.00	▲	525.00	530.00	527.50	▲
Gulf coast delivered													
Houston	604.50	608.50	606.50		0.10	896.00	900.00	898.00	▼	-	-	-	□
New Orleans	-	-	-		0.10	965.50	969.50	967.50	▲	-	-	-	□
West coast ex-wharf													
Los Angeles	654.00	659.00	656.50	—	0.10	995.00	1,000.00	997.50	▼	451.00	455.00	453.00	◀ ▶
Portland	-	-	-		0.10	946.50	951.50	949.00	▼	-	-	-	
San Francisco	678.50	683.50	681.00	▼	0.10	1,148.00	1,152.00	1,150.00	▼	460.50	464.50	462.50	◀ ▶
Seattle	594.50	599.50	597.00	▲	0.10	934.00	939.00	936.50	▼	458.50	463.50	461.00	▼
HS 500cst	-	-	-		-	-	-	-		453.50	458.50	456.00	▼
Vancouver‡	628.00	632.00	630.00	▲	0.10	900.00	905.00	902.50	▼	448.00	453.00	450.50	▼
West coast delivered													
Los Angeles	687.00	692.00	689.50	▼	0.10	1,045.00	1,050.00	1,047.50	▼	484.50	488.50	486.50	◀ ▶
Portland	-	-	-		0.10	972.50	977.50	975.00	▼	-	-	-	
San Francisco	709.50	714.50	712.00	▼	0.10	1,163.00	1,168.00	1,165.50	▼	492.50	496.50	494.50	◀ ▶
Seattle	602.50	607.50	605.00	▲	0.10	956.00	961.00	958.50	▼	467.00	471.00	469.00	▼
HS 500cst	-	-	-		-	-	-	-		462.00	466.00	464.00	▼

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

US Gulf spot bunker demand picked up on Wednesday. Houston market activity was up on cheaper prices. New Orleans prices gained tracing crude. The US Atlantic market activity remained soft.

In Houston, 600t of very low-sulphur fuel oil (VLSFO) sold at \$594/t with 150t of marine gasoil (MGO) at \$885/t ex-wharf. At nearby, Bolivar Roads, Texas, 200t of high-sulphur 380cst was quoted ex-wharf at \$483/t for 30-31 October. In Galveston, Texas, 300t of MGO went for \$1,033/t delivered.

In New Orleans, 600-800t of VLSFO sold ex-wharf at \$600/t with 150-250t of MGO at \$885/t plus \$15,000 barging for 7 November. At the same port, 800t of VLSFO went for \$600/t ex-wharf. Lastly, 225t of MGO sold ex-wharf at \$905/t.

TotalEnergies' shipping arm CSSA booked tanker Amazon Virtue to load on 3 November from northwest Europe with the option to offload in the US Gulf coast or the Mediterranean.

Barge prices				
	Low	High	Mid	±
USG 0.5% fuel oil fob \$/t	615.35	618.72	617.04	▲
NYH 0.5% fuel oil delivered \$/t	613.67	617.04	615.36	▲
USG 0.5% fuel oil fob \$/bl	91.38	91.88	91.63	▲
USG 3.0% fuel oil fob \$/bl	73.64	73.84	73.74	▼
USG 3.5% fuel oil fob \$/bl	74.05	74.55	74.30	▼
NYH 0.5% fuel oil delivered \$/bl	91.13	91.63	91.38	▲
NYH 1.0% fuel oil delivered \$/bl	84.34	84.52	84.43	▲
NYH 0.5% MGO €/USG	264.05	265.05	264.55	▼

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.

A clip of 500t of MGO went for \$955/t ex-wharf in New York. In a combined ex-wharf deal in Philadelphia, 150t of VLSFO sold at \$620/t with 100t of MGO at \$920/t ex-wharf.

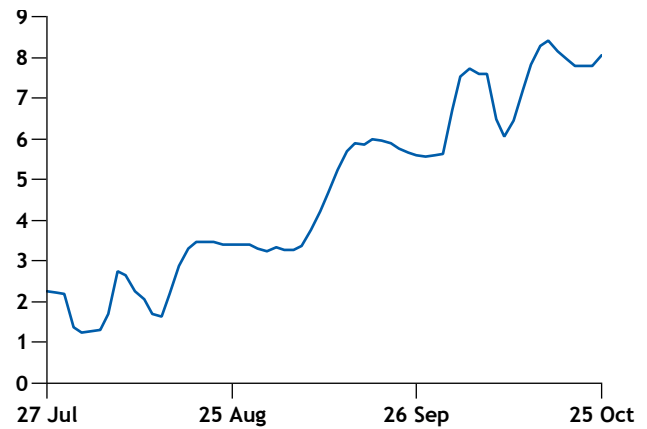
US Pacific coast bunker demand remained light on Wednesday.

NORTH AMERICA

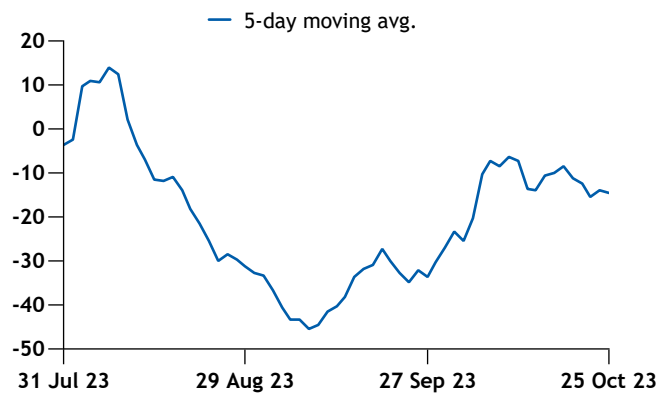
day. Market players waited to see if prices would continue to decrease. In Vancouver, British Columbia, 250-350t of VLSFO went for \$630/t ex-wharf with \$9,000 barging for 2 November. The Los Angeles to Singapore VLSFO premium fell to \$32.5/t. Prices at the two ports diverged.

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

New York LSFO swaps less US Gulf HSFO \$/bl

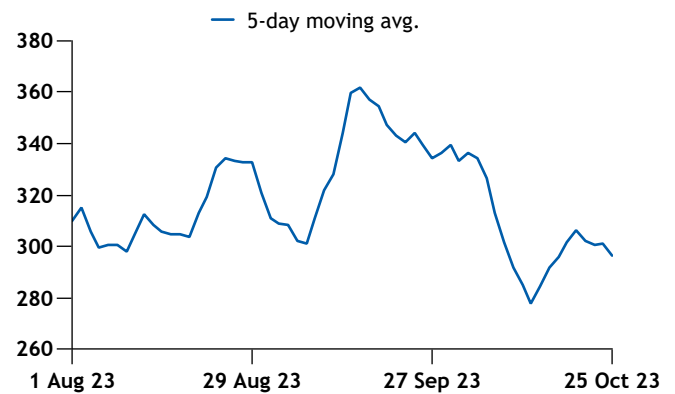


Fuel oil 0.5%: Rotterdam less Houston \$/t



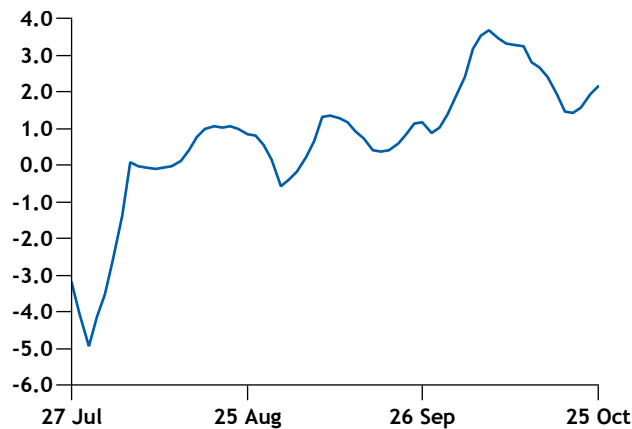
\$/t

Houston: MGO less fuel oil 0.5% \$/t



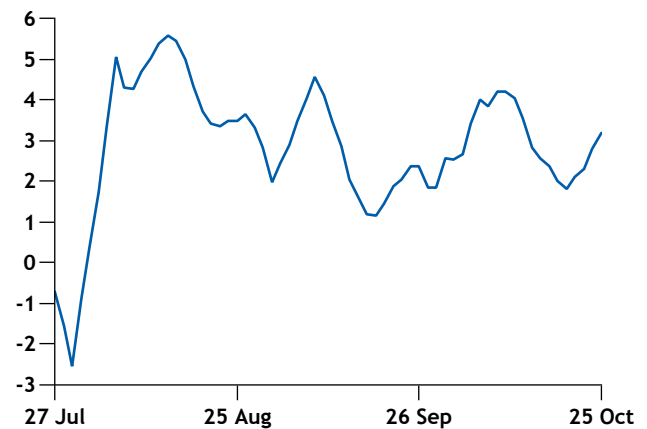
\$/t

New York LSFO - month 1 less month 2 \$/t



\$/t

US Gulf HSFO - month 1 less month 2 \$/t



\$/t

LATIN AMERICA

Assessed bunker prices													\$/t
Location	0.5%S 380cst				Sulphur max %	MGO				HS 380cst			
	Low	High	Mid	±		Low	High	Mid	±	Low	High	Mid	±
Panama canal ex-wharf	610.00	615.00	612.50	▼	0.10	914.00	919.00	916.50	▼	490.00	495.00	492.50	◀ ▶
Atlantic coast delivered													
Buenos Aires	666.00	670.00	668.00		0.10	1,095.00	1,100.00	1,097.50	◀ ▶	-	-	-	
Montevideo	780.00	785.00	782.50	◀ ▶	0.10	1,253.00	1,257.00	1,255.00	▲	-	-	-	
Caribbean delivered													
Cartagena	665.00	670.00	667.50	◀ ▶	0.10	917.00	922.00	919.50	◀ ▶	517.75	521.75	519.75	◀ ▶
Pacific coast delivered													
El Callao	737.00	741.00	739.00	▼	0.10	1,218.00	1,222.00	1,220.00	◀ ▶	-	-	-	
Guayaquil†	797.00	802.00	799.50	◀ ▶	0.50	1,139.00	1,144.00	1,141.50	◀ ▶	540.00	545.00	542.50	◀ ▶
Libertad†	797.00	802.00	799.50	◀ ▶	0.50	1,105.00	1,110.00	1,107.50	◀ ▶	514.00	519.00	516.50	◀ ▶
Quintero/ Valparaiso*	740.00	745.00	742.50	◀ ▶	0.10	1,367.00	1,372.00	1,369.50	◀ ▶	713.00	718.00	715.50	◀ ▶
San Antonio*	744.00	749.00	746.50	◀ ▶	0.10	1,369.00	1,374.00	1,371.50	◀ ▶	714.00	719.00	716.50	◀ ▶

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

Posted bunker prices													\$/t
Location	0.5%S				Sulphur max %	MGO				HS 380			
	Low	High	Mid	±		Low	High	Mid	±	Low	High	Mid	±
Trafigura delivered - valid from 23 October 2023													
Bahia Blanca	-	-	725.00	◀ ▶	0.10	-	-	1,116.00	◀ ▶	-	-	-	
Petrobras delivered - valid from 08:00, 25 October 2023													
Belem	-	-	744.00	▼	0.50	-	-	1,092.00	▲	-	-	-	
Paranagua	-	-	740.00	▼	0.50	-	-	1,083.00	▲	-	-	-	
Rio de Janeiro	-	-	720.00	▼	0.50	-	-	1,015.00	▲	-	-	-	
Santos	-	-	675.00	▼	0.50	-	-	1,050.00	▲	-	-	-	
PdV - valid until 09:00, 20 September 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 demand picked up on Wednesday.

In Barranquilla, Colombia, 550t of very low-sulphur fuel oil (VLSFO) sold at \$675/t delivered. At competing Santa Marta, Colombia, 700t of VLSFO went for \$672/t ex-wharf. On Tuesday evening, 280t of VLSFO sold delivered at \$669/t with 160t of marine gasoil (MGO) at \$894/t in Cartagena, Colombia.

A clip of 100t of MGO was quoted delivered in Balboa, Panama.

In Zona Comun, near Buenos Aires, Argentina, 700t of VLSFO went for \$668/t delivered. The Buenos Aires-Santos, Brazil, VLSFO differential flipped to a \$7/t discount from a \$5/t premium on Tuesday.

MGO, sized at 75t, sold ex-wharf at \$1,245/t in Montevideo,

Pemex - valid from 24 October 2023

Location	Basis	HS 180	
		Ps/m3	\$/t
Lazaro Cardenas	ex-terminal	12,259.46	655.79
Madero	ex-terminal	13,001.24	695.47
Pajaritos	ex-terminal	12,154.16	650.16
Progreso	ex-terminal	12,149.78	649.93
Salina Cruz	ex-terminal	11,955.64	639.54

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

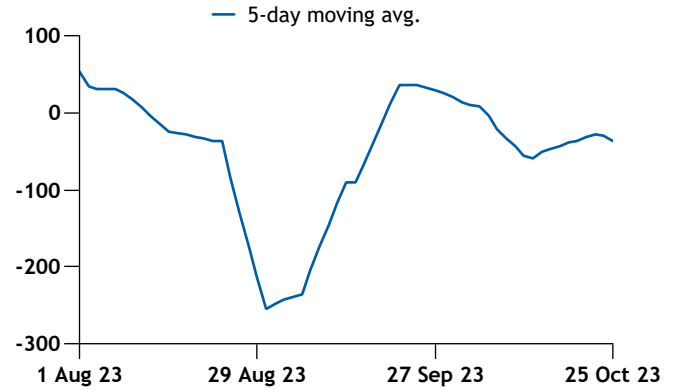
Uruguay.

A 630t VLSFO clip sold in Paranagua, Brazil at \$740/t delivered at Petrobras' posted price.

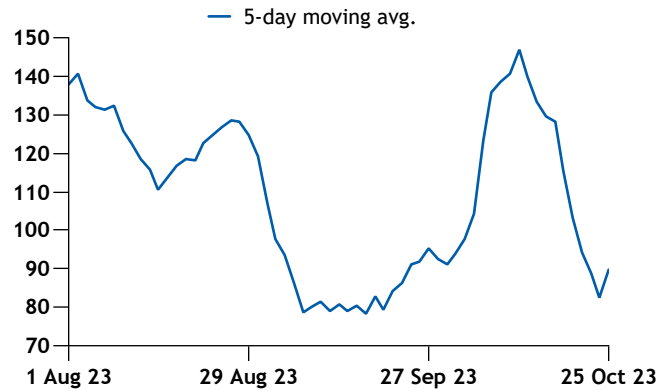
LATIN AMERICA

In El Callao, Peru, 580t of VLSFO went for \$739/t delivered.
 At the port of Roatan, Honduras, 30t of MGO was offered ex-wharf at \$1,248/t.
 For a full list of daily, spot bunker deals and firm price quotes collected by Argus globally [click here](#).

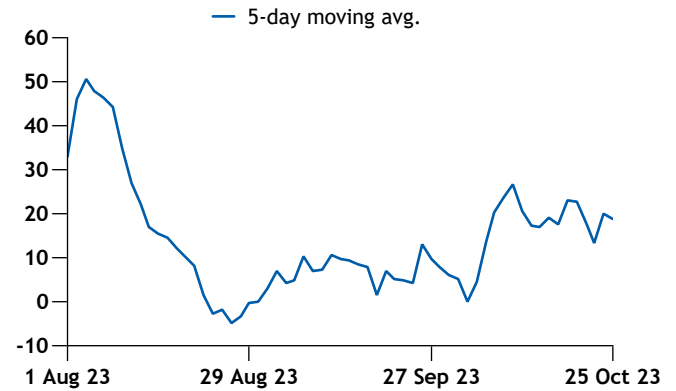
Fuel oil 0.5%S: El Callao less Guayaquil \$/t



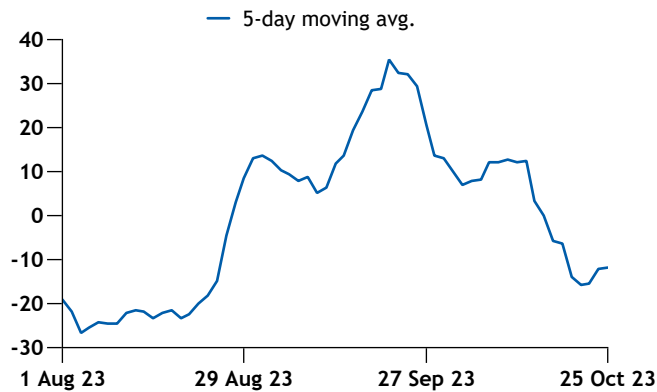
Fuel oil 0.5%S: Quintero less Panama \$/t



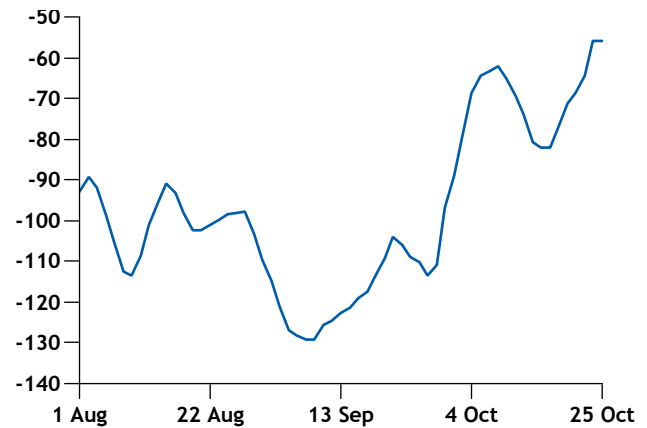
Fuel oil 0.5%S: Panama less Houston \$/t



Fuel oil 0.5%S: Buenos Aires less Santos \$/t



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



NEWS

Bunker holding finds green ammonia partner

Bunker holding, the world's largest marine fuels trader and supplier, announced today that it has signed a memorandum of understanding with NeoGreen Hydrogen Corporation to work on bringing green ammonia and synthetic fuels to the marine fuels market in preparation for incoming environmental regulation in the maritime sector.

NeoGreen Hydrogen Corp focuses on producing green hydrogen, green ammonia, green fertiliser and synthetic fuels. It is aiming to produce fuels for the shipping sector.

Bunker holding said that it believes ammonia and e-methanol will be two of the prospective "future fuels" most likely to be adopted by the industry.

NeoGreen Hydrogen has already signed an agreement with the Paraguayan state-owned Administracion Nacional de Electricidad (Ande) for a 75MW plant, which will contribute to the production of 10,000 t/yr of green hydrogen to make ammonium nitrate and NPK fertilizers. By Bob Wiggin

Yara invests in bunkering start-up

The investment arm of Norway-based fertilizer giant Yara has purchased a 14.5pc stake in Norwegian ammonia bunkering start-up Azane Fuel Solutions.

New York-listed gas shipowner Navigator Holdings also purchased a 14.5pc stake in Azane, culminating in a total investment of \$5.7mn in the start-up.

Azane intends to build an ammonia bunkering network –

Yara's low-carbon ammonia arm has pre-ordered 15 ammonia bunkering units from the company. The investment will fund the start of construction on the units, with commencement planned in Scandinavia from 2025.

"Currently, ammonia fuel bunkering does not exist. With this investment it is expected to become a reality in a year," Yara said.

The companies are betting on demand from ammonia-powered vessels. But the IEA does not predict a market uptake of ammonia-run engines on vessels until 2027-28, with ammonia accounting for just 6pc of the shipping industry's final energy consumption mix by 2030. Other forecasts are even lower – DNV estimates ammonia will be 1pc of the shipping fuel mix by 2030. And Argus estimates consumption by 2050 will be largely dependent on the extent to which the [International Maritime Organisation \(IMO\) targets](#) will be enforced.

Wide-scale adoption of the alternative fuel will be chal-

lenged by the need for a scale up in infrastructure, as well as safety concerns and price premiums.

Nonetheless, IMO targets have prompted several companies to announce plans to acquire or develop vessels that could be ammonia-fuelled, including [WinGD and Mitsubishi](#), [Greig Maritime Group](#) and [Ocean Yield](#) in recent months.

Japanese trading house Itochu also announced plans to explore global bunkering opportunities [last month](#) as the industry works to address potential infrastructure gaps for an ammonia-fuel supply chain.

"Our goal is to fill a gap in the ammonia chain needed for fuelling ships," Yara said.

By Lizzy Lancaster

EU mulls wider net zero tech definition

The European Parliament's industry and energy committee has voted for changes to the EU's draft Net Zero Industry Act that would expand the scope of technologies covered to include nuclear fission and fusion as well as sustainable aviation fuels (SAF).

Parliament also wants to incorporate the entire supply chain including components, materials and machinery used to make net zero technologies. An EU-level carbon capture and storage (CCS) goal of 50mn t/yr of CO2 by 2030 is left untouched.

Under the European Commission's [March proposal](#) for the act, the EU should produce at least 40pc of its annual "clean tech" deployment needs. Parliament says the EU should also aim to capture 25pc of the global market value for such technologies.

The commission's ambitious CCS goal for 2030 has been left unchanged, but by the end of 2026 committee members want the commission to set out annual CO2 injection capacity for 2035, 2040 and 2050.

Parliament wants funding to come from national revenues under the Emissions Trading System (ETS). The law also aims to streamline permitting processes, with a timeline of 9-12 months for "regular" projects and 6-9 months for "strategic" projects.

Parliament lists a fuller range of net zero technologies than those defined by the commission, notably those covered by the bloc's renewables directive, nuclear fusion in addition to fission, energy storage, as well as carbon dioxide, methane and nitrous oxide removal, capture, transport, injection, stor-

NEWS

age and utilisation technologies. Also covered are hydrogen transport infrastructure technologies, electrolyzers, fuel cells, e-fuels and hydrogen, SAF, biofuels for maritime, wind propulsion, e-charging, biomethane and heat pumps.

Parliament also includes energy efficiency technologies as well as thermal energy distribution and electric grids, energy management technologies, biomaterials including bio-based chemical production and recycling technologies.

Parliament is expected to approve the position adopted by committee in late November. This would pave the way for negotiations to begin with EU member states on a final legal text.

By Dafydd ab Iago

Industry wants binding EU biomethane goal

Negotiators for the European Parliament and EU member states should agree on a legally-binding target goal of 35bn m³/yr of biomethane production, 45 trade associations have said.

The associations also want a wider binding EU-level target for all renewable gases, including hydrogen, as well as a mandatory greenhouse gas (GHG) intensity cut for gas.

Parliament and member states aim to conclude talks on a final legal text updating the bloc's gas laws in early November. The update also aims to pave the way for hydrogen uptake. Industry, though, says time is running out to reach the goal of producing 35bn m³/yr of biomethane set out in the bloc's RePowerEU policy, aimed at reducing dependency on third country fossil-fuel imports. The EU produced only 3bn m³ of biomethane in 2022.

Industry wants lawmakers to follow a similar approach to transport and maritime sectors by setting a mandatory reduction of the GHG intensity of the EU gas mix by 2030. They note that the proposals for gas and hydrogen laws are the only policy packages encompassing all types of gases, including low-carbon and renewable.

The 45 associations calling for binding renewable gas targets include Eurogas, the European Biogas Association, European Aluminium, Gas Infrastructure Europe and local energy distributors Geode. Industry points to the revised renewables directive (REDIII) supporting renewable gas deployment, including hydrogen through sub-targets, but argues that it "falls short".

REDIII has set a [GHG intensity reduction](#) goal of 14.5pc,

or a 29pc renewables share, for transport fuels by 2030. And other new EU legislation establishes GHG intensity cuts for [maritime fuels](#), starting with 2pc in 2025 and rising to 80pc by 2050.

"To get the target moved up to legally binding is going to be very difficult," Eurogas secretary general James Watson said. "But various countries, [including] the Netherlands, support a binding target. Parliament is open to the idea." Watson expects a further month of talks. "Industry wants that regulatory certainty," he told *Argus*.

Dafydd ab Iago

Seaside LNG receives new LNG bunker barge

US-based small-scale LNG firm Seaside LNG and its bunkering arm Polaris New Energy received the new 5,500m³ LNG bunker barge *Clean Everglades* yesterday.

The new vessel will help the firms to expand their LNG bunkering business to the Gulf of Mexico, the firms said. The barge has four 1,375m³ type-C tanks for LNG.

US shipbuilder Fincantieri Marine Group delivered the same-sized *Clean Canaveral* to Seaside LNG and Polaris New Energy two years ago, and the vessel has completed more than 65 successful LNG bunkering operations, Seaside LNG said. *Clean Canaveral* mostly operates [on the US east coast](#).

By Xiaoyi Deng

Crowley to start LNG bunkering at Panama Canal

US shipping firm Crowley is planning to start up LNG bunkering services on the Panama Canal's Pacific coast next year, it said.

The firm is proceeding with its plans to start the ship-to-ship LNG bunkering service after it received a permit from the Panama Maritime Authority (AMP), it said on Tuesday. Crowley did not provide further details on potential LNG bunkering or storage capacity.

The firm has more plans for LNG bunkering infrastructure in the US, and is partnering with Shell to start up an [LNG bunkering barge on the US' Atlantic coast](#) next year. The barge is due to have LNG capacity of 12,000m³, will be built in the US by Finacantieri Bay Shipbuilding and operate under a long-term charter agreement to Shell, the firms said in 2021. This means the vessel will be Jones Act compliant. Under the Jones Act, only US-flagged ships are allowed to operate between US ports. So-called Jones Act vessels, which include LNG bunker barges, also have to be built in US shipyards.

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Several other firms are interested in LNG bunker operations at the Panama Canal. Canadian shipbuilder Seaspan agreed [earlier this month](#) with energy company AES to help provide LNG bunkering services for vessels transiting the Panama Canal by November. The bunkering operations will start from AES' Costa Norte LNG terminal and will have a storage capacity of 180,000m³. Seaspan is building a smaller vessel with 10,000m³ capacity that will supply LNG-fuelled ships going through the Panama Canal.

Norwegian firm Kanfer is also planning to roll out an LNG bunkering project in the Panama Canal.

And Texas' 15mn t/yr Freeport export terminal aims to bring on line a marine barge by early 2025 in the US Gulf coast.

By *Ellie Holbrook*

VLSFO 3Q viscosity levels increase globally

Global viscosity for very low-sulphur fuel oil (VLSFO) for the third quarter of 2023 increased from the same period in the previous two years.

VLSFO viscosity levels at 50°C averaged 164 centistokes (cst) in the third quarter, 11pc higher than 148cst during the same quarter last year and 15pc higher than 143cst reported in the third quarter of 2021, according to French classification society Bureau Veritas.

The five ports with the highest average viscosity were the Spanish ports of Las Palmas and Algeciras at 304cst and 261cst, respectively; Fujairah and Gibraltar at 182cst; and Balboa, Panama, at 181cst. By comparison, the ports with the lowest viscosities were Santos, Brazil, at 77 cst; Houston, Texas, at 79 cst; and Busan, South Korea, at 103cst, according to Bureau Veritas.

Viscosity provides lubricity, which is the ability to reduce friction and avoid wear on moving engine parts. But lower viscosity fuels in general are higher in energy content.

Globally, Busan had the highest percentage of off-specification VLSFO at 9pc, followed by Hong Kong at 8pc. At 6pc of cases, Klaipeda, Lithuania, ranked as the highest port for high-sulphur fuel oil off specification, followed by Zhoushan, China, with 4pc.

Burning off-spec marine fuel can cause damage to a ship, including potential engine failure.

By *Stefka Wechsler*

Petrobras' price policy lacks transparency: Acelen

Mubadala Capital subsidiary Acelen, the owner of Brazil's largest private refinery, has called on state-controlled Petrobras to stop harming Brazil's business climate with its opaque refined products pricing policy.

Earlier this year Petrobras [ditched its fuel import parity policy](#) – which more closely aligned prices at the pump with global oil prices and exchange rates – in favor of greater flexibility to smooth price swings.

"Oil products are international commodities just as much as sugar, soybeans or corn," Acelen's chief executive Luiz de Mendonca said at a sugarcane industry event in Sao Paulo this week. "In other words, to be very direct, I think that we have lost transparency."

Petrobras' new consumer-friendly commercial strategy has drawn criticism from other fuel industry participants in Brazil as well, including importers which could lose market share.

Some critics also claim the policy creates insecurity for new investors in the private-sector, as Petrobras' pricing policy is now more opaque.

"Terms are used that do not have a very clear definition, [such as] 'Brazilianize' prices.

What does that mean?" Mendonca said, referring to a term used by President Luiz Inacio Lula da Silva [during his election campaign](#) to refer to prices that reflect the domestic market. The term has [since been adopted](#) by Petrobras' chief executive Jean Paul Prates.

He said the company's decision to determine its own conditions on prices also "harms investments."

His concerns were echoed by Bruno Serapiao, chief executive of sugar and ethanol producer Atvos, which is also partially owned by Abu Dhabi's sovereign fund investment arm Mubadala Capital.

"Prices of international commodities, such as oil and gasoline, need to be projected for two, three years from now," he said. "Today, we [can only] see a week ahead. Without predictability, decision-making gets very hard."

HVO, SAF business

Still, Acelen has a bullish stance on Brazil's growth prospects and plans to invest R12bn (\$2.40bn) over 10 years to expand its business towards producing emerging biofuels, such as hydrotreated vegetable oil (HVO) and sustainable aviation fuel (SAF), as of 2026.

The move could place the company among global leaders in

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these segments.

Acelen should begin building the new biorefinery early next year, Mendonca told *Argus* on the sidelines of the event. It will have capacity to produce around 1bn liters/yr (20,000 b/d) using a myriad of raw materials.

"At first, we will use first generation vegetable oils," he said. "But, at a later stage, our goal is to move on to second generation raw materials, such as palm oil and macauba."

Macauba – the Brazilian yellow coconut – is an underutilized palm from Bahia state with high energy content.

The new facility should be flex-fuel, meaning it will be able to adjust its production mix towards HVO or SAF without the need to revise processes, the same as sugarcane ethanol mills.

Meanwhile, Atvos is eyeing investments to convert ethanol from its mills into bio-jet fuel through the alcohol-to-jet (ATJ) pathway, according to Mendonca.

By *Vinicius Damazio*

European refinery output tilts even lighter

Refiners in the EU-15 and Norway produced an even lighter mix of products in September, according to the latest Euroilstock data, as some planned autumn maintenance started.

Naphtha production was mostly flat month on month, while fuel oil output was down by 2.8pc and overall output remained steady. Naphtha is the lightest of the products surveyed and fuel oil is the heaviest.

This extended the trend of the last two years, which has seen European refiners replace sanctioned Russian Urals with a mixture of alternatives averaging somewhat lighter and consequently produce a lighter mix of products. Refiners were producing 10.3pc more naphtha year on year in September and 18.2pc less fuel oil.

The additional naphtha production has put pressure on refining margins for the product in recent months. Meanwhile, the reduction in fuel oil output has supported margins for that product. Naphtha delivered to northwest Europe averaged a discount of around \$15/bl against North Sea Dated crude in the third quarter, whereas high-sulphur fuel oil (HSFO) barges at Rotterdam averaged a discount of only around \$6/bl against Dated. Comparing with pre-Covid patterns, in the third quarter of 2019, naphtha averaged a discount of around \$8/bl and HSFO averaged a discount of around \$10.50/bl.

Some planned refinery maintenance began in Europe in September. BP started a partial turnaround at its 265,000 b/d

Gelsenkirchen refinery in Germany's industrial southwest. Tamoil closed its 103,000 b/d Holborn refinery in northern Germany. Valero began work on the vacuum distillation unit (VDU) at its 210,000 b/d Pembroke refinery in Wales. And Equinor began work on the fluid catalytic cracker (FCC) at its 203,000 b/d Mongstad refinery in Norway.

By *Benedict George*

Mexico, restoring power after hurricane

Hurricane Otis slammed into Mexico's Pacific coast city of Acapulco as a category five hurricane in the early hours of this morning, knocking out power and communications infrastructure and causing damage to buildings.

"The hurricane behaved atypically and so far we do not have details about loss of life as we have lost communications with the affected area," President Andres Manuel Lopez Obrador said at his daily press conference today.

Otis made landfall in Acapulco, Guerrero state, at 2:25am ET, having strengthened to a category five hurricane from a tropical storm in just 12 hours, making it the strongest hurricane in the city's history, according to the national weather service SMN.

The city, a major tourist hub, is also home to 852,000 people.

Around 504,340 customers lost power across Guerrero state and state power company CFE had managed to restore electricity to around 40pc of its customers as of 10.30am ET, the utility said.

The hurricane also caused landslides that have shut down highways into Acapulco and along the coast to Zihuatanejo as well as damage to the military airport, Lopez Obrador said today.

Acapulco airport operator OMA has yet to comment on whether its installations were damaged by the hurricane.

Otis had been downgraded to a category 2 hurricane by 8am ET but is expected to bring continued rain, waves of up to 7m and wind gusts of 150km/hr, SMN said.

West coast fuel supplies

Meanwhile, farther north on Mexico's west coast the passage of Category 1 Hurricane Norma across Baja California did not cause major damage or interrupt fuel supplies, as state-owned Pemex said it had prepared alternate routes.

Retail fuel stations on the upper west coast received regular supply this week, multiple retailers from Sinaloa, Jalisco

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and Colima states confirmed.

Truck transporters also worked with Pemex to prepare ahead of Hurricane Otis to supply gasoline, diesel, and jet fuel to the affected states.

In the case of disruptions, truck transporters adjust and transport fuel from alternate terminals, even when it means higher costs for the company, one truck transporter told *Argus*.

In addition to its own fleet, Pemex's logistics arm coordinates 140 freight companies, with around 3,300 tanker trucks at its disposal.

Pemex operates 24 of its 73 storage and distribution terminals (TARs) in west coast Mexico. These terminals are mainly supplied by the 330,000 b/d Salina Cruz refinery and imports.
By Rebecca Conan and Antonio Gozain

Ukraine ships 700kt of grains

Ukraine has shipped almost 700,000t of grains through a temporary corridor organised by Kyiv in August after Russia's termination of the Black Sea grain corridor agreement, according to Ukraine agriculture ministry Mykola Solsky.

A total of 38 vessels entered Ukraine's Pivdenniy, Odesa and Chornomorsk (POC) ports since the start of the corridor, with 30 vessels already leaving them loaded with different products, including grains, the minister said.

According to the latest line-up data, about 20 ships left the POC ports as of 22 October, carrying about 584,000t of agricultural products, including about 315,000t of corn, 215,000t of wheat, 28,000t of rapeseed and 27,000t of sunflower meal. Spain was bound to receive 40 of the total shipped volume, with Portugal, Italy, Belgium, Israel, Egypt and China being among other destinations.

At the same time, most of Ukrainian agricultural products continue to be exported by the Danube river through Romania, Solsky said. Ukrainian companies shipped nearly 2.3mn t of grains, oilseeds and by-products from the Danube ports last month, which accounted for 63pc of a total of 3.6mn t exported from Ukraine in September.

Ukraine needs to export about 6mn t of agricultural products per month to maintain the agricultural sector as a key sector of the economy, according to Solsky. It is possible to ensure such a volume of exports only by restoring the full operation of the POC ports, the minister said.

Meanwhile, Ukrainian exports via the Danube river ports

may fall in October because of reported delays of ships loaded with grain for export due additional custom inspections and documents requirements by regional authorities.

By Victoria Blazhko

Asian 500ppm S gasoil dips on weaker demand

Weakening demand coupled with more supplies have lowered prices of Asian 500ppm (0.05pc) sulphur gasoil, widening the spread between the grade and ultra-low sulphur diesel to a six-month high.

The spread between 10ppm and 500ppm sulphur gasoil averaged at a six-month high in October, with Singapore 500ppm sulphur gasoil priced about \$4/bl below that of 10ppm sulphur gasoil, according to *Argus*' assessments.

The weakening 500ppm sulphur gasoil market is also evident in trades. The 500ppm sulphur gasoil grade loading from South Korea, the largest exporter in northeast Asia, traded at weaker premiums this month against September levels.

Early to mid-November loading cargoes of 500ppm sulphur gasoil from South Korean refiner SK Energy have been sold at discounts steeper than \$3.50/bl to Singapore spot assessments. Mid-October loading cargoes of 500ppm sulphur gasoil from SK Energy had traded at discounts of about \$2.80-2.90/bl when deals were done last month.

The falling prices reflect a weaker market, as demand for 500ppm sulphur gasoil waned from Vietnam, a key outlet of 500ppm sulphur gasoil supplies from Asia. The country's largest refinery, the 200,000 b/d Nghi Son, had returned from a turnaround earlier this month. Buying interest from Vietnam has slowed accordingly, after a buying spree in previous months as importers stocked up ahead of the planned maintenance.

Demand from the marine gasoil pool remains limited, said some traders.

Additional supplies of 500ppm sulphur gasoil have also helped to pressure prices. Malaysia's state-owned Petronas exported some unexpected cargoes of 500ppm sulphur gasoil from its 270,000 b/d Malacca refiner because of a malfunctioning hydrotreater.

But a sustained weakening of the 500ppm sulphur gasoil market is also unlikely, especially as the higher sulphur grades are being supported by demand from Indonesia that imports 2,500ppm sulphur gasoil as a road fuel. Refiners can readjust the balance for the different grades of gasoil by adjusting the

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desulphurisation process, should the spread between the two grades narrow further.

Indonesia's state-owned refiner Pertamina has been [seeking more cargoes of gasoil](#) with firmer domestic diesel demand and tighter supplies, as its 118,000 b/d Plaju refinery in south Sumatra was having a turnaround for around a month from mid-October.

By Cara Wong

Japan's Mol to charter sixth LNG carrier for Jera

Japanese shipping company Mitsui OSK Line (Mol) has signed a long-term charter agreement with power producer Jera to operate a new LNG carrier, which will be delivered by 2027.

The 174,000m³ membrane-type vessel will be built by South Korean shipbuilder Samsung Heavy Industries at its Geoje shipyard. This will be the sixth charter agreement between Mol and Jera to carry LNG, after the [fifth one](#) for another new LNG carrier to be delivered by 2025.

Jera's LNG consumption is likely to increase as the firm is planning to complete upgrade and begin operation of three 780MW combined-cycle gas turbine (CCGT) units at its [Goi power plant](#) during 2024-2025. It also began commercial operations at the 650MW [Anegasaki No.3 CCGT unit](#) this August.

LNG is dominant in Jera's power portfolio, with its gas-fired output accounting for 76pc of its total power generation in the April 2022-March 2023 fiscal year. Jera consumed 23.63mn t of LNG during 2022-23, accounting for around 34pc of Japan's total LNG imports of 70.5mn t in 2022-23.

By Nanami Oki

Asia-Pacific fuel oil tenders

Kuwait's state-owned KPC sold two cargoes of 80,000t (516,000 bl) and 60,000t of heavy fuel oil (HFO) for 29-30 October loading and 5-6 November loading, respectively, from one port or berth in Kuwait. Trading firm Trafigura likely bought the October-loading cargo, while Glencore bought the November-loading cargo, traders said. The cargoes were likely sold at a high-\$60s or around a \$68/t premium on the average of Mideast Gulf 380cst HSFO assessments, according to market participants, although this could not be confirmed with KPC. KPC last sold 60,000t of HFO for 25-26 October loading from one port or berth in Kuwait to Saudi Arabia's state-controlled Aramco Trading (ATC) at around a \$65-70/t premium against the average of 380cst HSFO Mideast Gulf spot assessments,

according to market participants. KPC has already sold around 440,000t of HFO since mid-September, according to *Argus* tender records.

MRPL concluded its spot tender to sell 0.5pc sulphur marine fuel for November-loading. It sold 40,000t for loading from New Mangalore over 8-10 November. Mercuria bought the cargo at around a \$12-13/t discount to the average of *Argus'* and Platts' Singapore spot 0.5pc marine fuel assessments. MRPL last sold a same sized low-sulphur fuel oil (LSFO) cargo for 12-14 March loading from New Mangalore. Japanese trading firm Idemitsu bought the cargo at around a \$17/t discount to the average of *Argus'* and Platts' Singapore spot 0.5pc marine fuel assessments.

Indian private-sector refiner Reliance Industries (RIL) sold 40,000t of CBFS for 11-12 November loading from Sikka, likely to Shell, according to shipping fixtures. CBFS is residual material from the refinery's fluid catalytic cracker (FCC). The cargo is typically priced on the average of Singapore or Mideast Gulf 180cst HSFO assessments. RIL last offered 40,000t of CBFS for 21-22 October loading from Sikka. But the outcome of the tender could not be confirmed. This is the refiner's regular offer and Shell has been a frequent purchaser of these cargoes.

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ANNOUNCEMENTS

Redefining Novorossiysk bunker prices

Following consultation, Argus will redefine the 3.5pc and 0.5pc fuel oil and 0.1pc gasoil dob Novorossiysk bunker prices as assessments for the wider Krasnodar region, effective 26 October. The names of the assessments will change accordingly, to:

- Fuel oil bunker 3.5%S 380cst Krasnodar region dob
- Gasoil bunker 0.1%S Krasnodar region dob USD/t
- Fuel oil bunker 0.5%S Krasnodar region dob

For a list of affected pricing database codes, please contact datahelp@argusmedia.com.

For more details, please contact Stefka Wechsler at stefka.ilieva@argusmedia.com or marinefuels@argusmedia.com or +1 347 322 7952.

Proposed early timestamp for Asia-Pacific bunkers 10 Nov

Argus proposes to advance the timestamp of its Singapore, South Korea and Sydney marine fuel assessments to 3:00pm Singapore time on 10 November, the last publication day before a public holiday in Singapore, because of a potential lack of representative market activity. These assessments and associated market commentary will not be published on 13 November.

Argus will accept comments on this proposed change until 2 November. To discuss comments on this proposal, please contact Mahua Chakravarty at mahua.chakravarty@argus-media.com or (+65) 6496 9935. Formal comments should be marked as such and may be submitted by email to marinefuels@argusmedia.com and received by 2 November. Please note, formal comments will be published after the consultation period unless confidentiality is specifically requested.

ANNOUNCEMENT

Publishing dates

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

- 3 November for Japan
- 6 November for Russia
- 13 November for Singapore, South Korea and Sydney
- 23 November for Japan
- 23-24 November for North America and Latin America
- 1 December no Middle East and India data
- 25 December no Argus Marine Fuels report and data
- 26 December no Europe and Africa data
- 29 December no Japan and Russia data
- 1 January no Argus Marine Fuels report and data

ANNOUNCEMENTS

Argus successfully completes annual losco assurance review

Argus has completed the 12th 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 losco's Principles for Oil Price Reporting Agencies, and losco 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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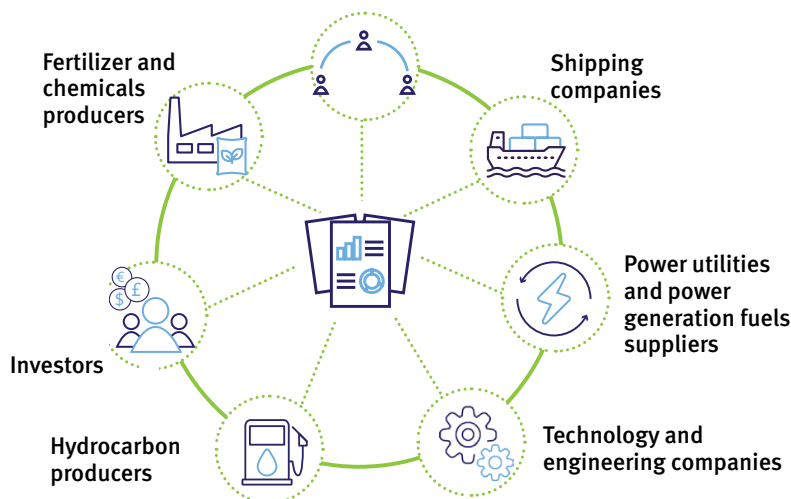
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