



Bunkering Market Report

January 2024

Brent Crude Market Analysis & Forecast

January 2024 saw shipping included in the EU's Emission Trading System for the first time, meaning voyages within or to and from any EU port, would require ship owners to purchase EUA's for every tonne of CO2 emitted.

The good news for ship owners was that since the summer of 2023, the price of EUA's had come off from highs of €87 to levels in the low €60's.

In the oil and shipping markets, all eyes were on the Red Sea and the Houthi rebels in Yemen who were attacking ships transiting the Red Sea with missiles.

Most container lines had chosen to reroute vessels around the cape of Good Hope, whereas tankers took a more case by case approach.

Early January

Crude prices started the year at \$76.01 on the first day of the year, with a fairly stable first couple of weeks with Brent range bound in the \$76/79 level. Analysts were in disagreement about how much the Red Sea situation would affect oil prices as Iran moved a battleship into the Red Sea.

In Chinese economic news, manufacturing activity shrank in December, whereas private refiners in the country received crude purchasing allocations of almost all of 2023's allocation indicating a positive outlook for the country's domestic demand.

In the US Department of Energy's first inventory numbers showed the largest build in gasoline inventories for over 30 years, causing crude oil prices to come off. Saudi Arabia also reduced its official selling prices for its Light Crude causing a further drop in prices of around 3%.

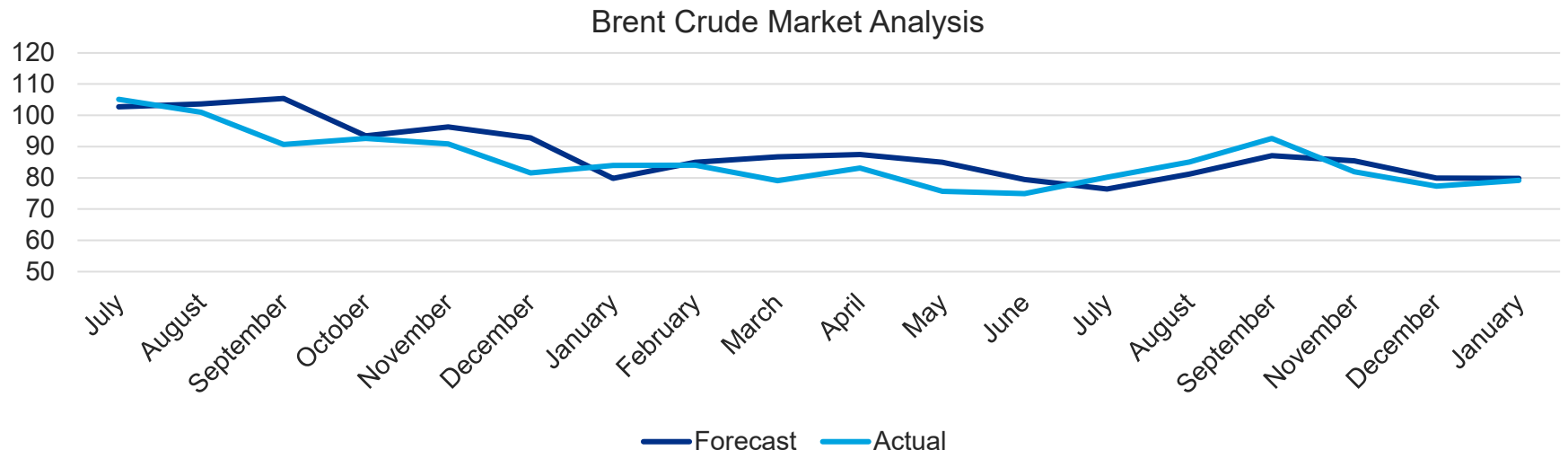
End of January

On the 16th January a bulker was attacked by the Houthi's, however, the damage was limited and no injuries reported. As we moved in to the last week of the month, Crude prices were in a bullish sentiment, with prices reaching a peak on the 25th of the month at \$83.22/b.

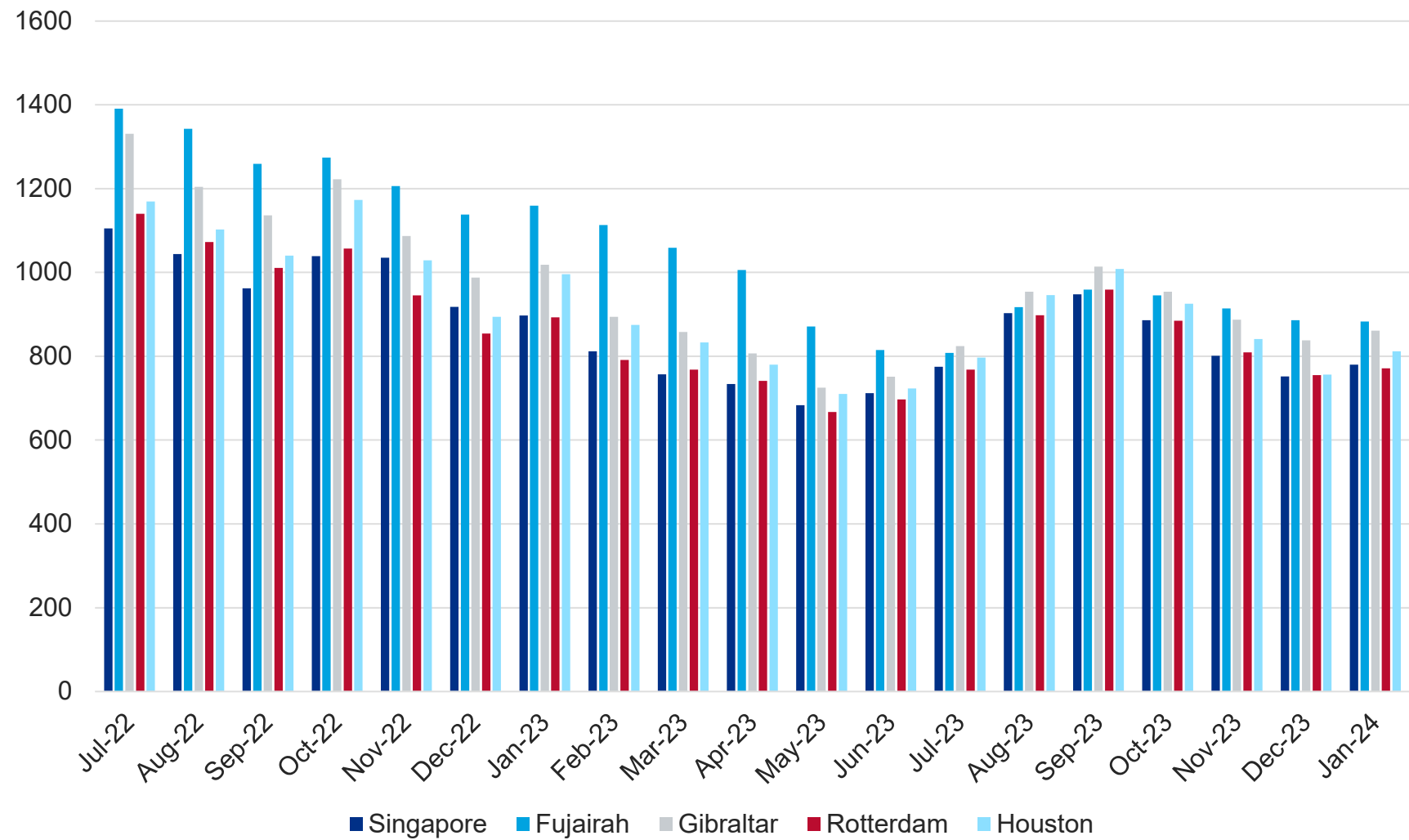
On the 27th a Trafigura tanker was hit by a missile, the fire was extinguished after 24 hours and the vessel could sail towards a safe harbour.

On the 29th, a Hong Kong court ordered the liquidation of China's Evergrande Group, considered to be the world's most indebted property developer with over \$300 billion in total liabilities.

This, along with events in the Middle East, sent crude prices tumbling in the last days of January, with Brent closing out the month at \$78.80/b.



Global LSMGO
Average Prices



Global VLSFO
Average Prices

