

IMO 2020 Watch™

As of April 2018, PKVerleger LLC (Twitter: @pkverlegerllc) will post summaries of relevant articles focusing on the International Maritime Organization's coming imposition of the 0.5-percent sulfur limit on marine bunker fuel. We anticipate maintaining this service until the end of 2019. It may end sooner, however, if the IMO decides to revise its mandated restriction on marine-fuel sulfur content.

(Note: Right-click on links to open in a new browser window.)

January 8, 2019

Neil Hume, David Sheppard, *Financial Times*

[London vehicle seeks to raise \\$1bn to hedge marine fuel clampdown](#)

"Some of the biggest names in shipping and oil trading are looking to raise \$1bn for a vehicle aimed at profiting from a clampdown on highly polluting marine fuels, pitching the investment vehicle as an insurance policy for shipowners or airlines against a spike in fuel costs.

London-based Enerjen Capital, which is run by Stephen Schueler, a former top executive at shipping giant Maersk, and advised by renowned oil trader Andy Hall, plan to use the money to create a bespoke 'hedging basket' designed to profit from a price spike many fear could be triggered by new International Maritime Organisation rules."

Katrine Gronvald Raun, Shipping Watch

[Bunker companies will now have to vouch for sulfur content in fuel](#)

"New requirements for bunker suppliers came into force at the turn of the year. With one year left before the global sulfur cap goes into effect, bunker companies are now obliged to ensure that their fuel is compliant."

January 7, 2019

Michael Angell, Freight Waves

[Today's Pickup: Ocean carriers looking at price spreads for fuel as 2020 approaches](#)

"The ocean shipping industry has less than one year to prepare for one of its biggest changes in decades as new rules on using low-sulfur fuel oil go into effect in 2020.... Ship and Bunker reports that the current price spread between low- and high-sulfur fuel is hovering between \$40 and \$100 per metric ton, which is far from the \$200 to \$300 per metric ton higher cost originally predicted by some."

Ashley Petersen, Oil and Gas Investor

[What Will Affect Oil Prices in 2019?](#)

"Will there be enough diesel? The last quarter of 2018 saw diesel cracks rising on demand from shippers and industrial activity. In 2019, questions will be swirling around IMO 2020 implementation and

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diesel cracks are likely to be a driving force for margins in the latter half of the year. While many shippers have chosen to install scrubbers to comply with upcoming regulations, others are shifting fuels, which means that by the end of 2019 there will be a significant new source of demand for low-sulfur diesel fuels. In a repeat of the end of 2018, diesel demand will encourage higher run rates, likely leading to a build in associated products. Whether the global economy will be robust enough to absorb these extra products remains to be seen.”

Katrine Gronvald Raun, Shipping Watch

[Media: China officially bans open-loop scrubbers](#)

“According to several news outlets, China will now ban the use of open-loop scrubbers in port areas and emission control areas in coastal regions.”

January 6, 2019

Robert Rapier, *Forbes*

[Energy Sector Predictions for 2019](#)

“The diesel premium over gasoline will at least double in 2019.”

The Maritime Executive

[Norway Delays Emissions Cap in World Heritage Fjords](#)

“The Norwegian Maritime Authority has delayed the entry into force of the new emissions legislation that was originally planned for January 1, 2019. It is now scheduled for the end of February 2019.

The Authority is proposing that ships must use fuel with a sulfur content of maximum 0.10 percent by weight, that the use of both open and closed loop exhaust gas cleaning systems is prohibited and that the incineration of waste on board ships is also prohibited in the world heritage fjords.”

January 4, 2019

Hellenic Shipping News

[Singapore 2018 fuel oil trade volumes nearly halved as IMO rules loom](#)

“High-sulphur fuel oil (HSFO) volumes traded in S&P Global Platts’ Singapore price assessment process were nearly halved in 2018 from the previous year, signs of a market shift ahead of tougher global marine fuel rules coming in 2020.”

Jeslyn Lerh, Teo Su Ling, S&P Global Platts

[Outlook 2019: Asia bunker markets set for changes as IMO 2020 sulfur cap looms](#)

“Bunker fuel markets in Asia are speeding up for a wave of changes in 2019, as the industry accelerates towards the International Maritime Organization's global sulfur cap rule starting January 1, 2020.”

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Pauline McCallon, Risk.net

[Shipping and energy firms revisit hedging on IMO 2020](#)

“Energy firms are bracing themselves for upcoming rules by the International Maritime Organization (IMO) designed to make shipping more environmentally friendly. Initially considered a regulation that would affect only shipping, the rules – commonly referred to as IMO 2020 – are now widely expected to reverberate throughout the entire energy complex.”

Atsuko Kawasaki, Avantika Ramesh, S&P Global Platts

[Outlook 2019: LSFO demand to displace HSFO in Asia ahead of IMO 2020](#)

“The Asian fuel oil market is expected to see a dynamic change from the third quarter of 2019 due to the implementation of new sulfur regulations mandated by the International Maritime Organization.”

January 3, 2019

Splash247

[IMO 2020 will lead to “massification” of volumes on box trades: Alphaliner](#)

“IMO 2020 will be a game changer, as it will bring the fuel costs to the forefront. It should lead to a massification of volumes on all trades that will benefit the larger ships at the expense of smaller ones,’ Alphaliner commented on the impending global sulphur cap, adding that it anticipated a very limited scrubber uptake among global box fleet.”

Sean Pratt, The Western Producer

[Farmers advised to lock in their diesel supply this winter](#)

“Prices expected to rise next year because of a forecast for colder temperatures and increased demand from ship owners. Now may be a good time to lock in diesel prices, according to a couple of analysts.”

Clarice Chiam et al., S&P Global Platts

[Outlook 2019: Asia middle distillates supply to tighten as market braces for IMO 2020](#)

“The Asian middle distillates market in 2019 would likely be shaped by the repercussions that marine fuel sulfur restrictions will have on the wider oil complex. On January 1, 2020, shippers will have to abide by a 0.5% marine fuel sulfur cap set by the International Maritime Organization. The current sulfur limit in force is 3.5%.”

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January 2, 2019

Ship & Bunker

[No “Best” IMO 2020 Compliance Strategy When It Comes to Securing Bunker Credit](#)

“The latter half of 2018 saw considerable debate over what the ‘best’ way to comply with IMO 2020 will be.... While that debate will undoubtedly continue into 2019, owners can at least take heart in knowing that their choice of compliance is unlikely to impact their credit lines.”

Rajesh Nair, S&P Global Platts

[Platts new 0.5% marine fuel assessment hits \\$366.18/mt in Singapore](#)

“S&P Global Platts assessed FOB Singapore Marine Fuel 0.5% at \$366.18/mt Wednesday as part of its worldwide launch of pricing assessments for the low sulfur fuel ahead of next year's new 0.5% limit on sulfur content.”

January 1, 2019

Simon Valeur, Shipping Watch

[New figures show limited premium for low-sulfur fuel](#)

“Uncertainty regarding the future price of low-sulfur fuel, compliant with the IMO's 2020 directive, continues to be major. New figures indicate a limited premium price, significantly smaller than many expected.”

December 28, 2018

Christian Carlsen, Trine Vestergaard, Shipping Watch

[Scrubber ordering will continue far beyond Jan 1, 2020](#)

“2018 was the year in which shipping companies started to invest in scrubbers for real, and the surge in demand has led to packed yards. As such, demand will continue after the sulfur regulations come into force on Jan. 1, 2020, projects DNB in an analysis.”

December 26, 2018

David Atkinson, The Marine Executive

[Twelve Months to D-Day: Is the Industry Ready for the Sulfur Cap?](#)

“As we head into 2019, the sulfur cap regulation remains top of the agenda for shipowners and operators. Effective enforcement of the regulation continues to be a daunting challenge for shipowners and regulators alike, and with only 12 months to the implementation date, the lack of robust enforcement mechanisms is giving rise to widespread concerns - and rightly so.”

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December 21, 2018

Ship & Bunker

[Port State Control to Begin Warning Vessels Not Ready for IMO 2020](#)

“From January 1, 2019 the Tokyo and Paris MOU port state control authorities will begin warning vessels deemed not ready for the new IMO 2020 global 0.5% sulfur cap on marine fuel.”

S&P Global Platts via Hellenic Shipping News

[Energy – What to Watch in 2019 – Top 22 List & 2018 Review and 2019 Outlook](#)

“Pricing across the global energy markets will face headwinds in 2019, with a weaker and more uncertain macroeconomic framework deflating price formation in general, according to two special reports just issued by S&P Global Platts Analytics. Such headwinds will require the industry and portfolio managers to take a big-picture approach.”

December 20, 2018

Edwin Lopez, SupplyChainDrive

[Ocean carriers adjust networks for 2019](#)

“Ocean carriers announced a series of network shifts this week, as the members of 2M and THE Alliance adjust their capacity and port calls to match demand trends expected in 2019 and prepare for IMO 2020.”

Gavin van Marie, The Loadstar

[Container shipping industry calls for five-year extension to block exemption regulation](#)

“Container liner industry groups today called for the European Commission to renew the block exemption regulation that covers shipping services for a further five years.”

Bloomberg via Rigzone

[Five Things to Watch in European Oil in 2019](#)

“With new International Maritime Organization (IMO) limits on maritime vessels’ exhaust emissions coming into force in 2020, the oil industry is gearing up for disruption as shipping companies choose whether to convert engines to rules-compliant fuel, install scrubbers to continue using heavy fuel oil or switch to liquefied natural gas. Repsol SA, Neste Oyj, BP Plc, Total and Saras SpA are best positioned to handle the changeover to so-called IMO 2020 regulations because of their refinery capacity for cleaner-burning products.”

December 19, 2018

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Tsvetana Paraskova, Oilprice.com

[What Will Drive Atlantic Basin Crude Prices in 2019?](#)

“Demand from Asia and fuel oil refining margins will be the key drivers of price strength of the crude grades in the Atlantic Basin next year, just like they have been in the fourth quarter this year, an S&P Global Platts analysis showed on Wednesday.”

Virginie Malicier et al., S&P Global Platts

[Oil Quarterly: Logistical stresses ease; gasoline and IMO 2020 in focus](#)

This summary covers prospects for diesel, gasoil, jet fuel, gasoline, naphtha, LPG, and Russian domestic markets.

Alex Younevitch, S&P Global Platts

[Shipping Quarterly: Container market braces for turbulent 2019 amid uncertain bunker fuel costs](#)

“The container market is to face strong headwinds in 2019 as volatility in bunker prices along with growing uncertainty shrouding the impact of International Maritime Organization’s 2020 global sulfur cap threatens to make negotiating bunker recovery mechanisms and overall freight increasingly challenging.”

December 18, 2018

Ship & Bunker

[IMO 2020: High/low Sulfur Price Differential Widens](#)

“A quarter of respondents [to shipping accountant Moore Stephens’ survey] expected the price differential between high-sulphur fuel oil and IMO-compliant low-sulphur fuel oil at 1 January 2020 to be between \$250 and \$324/mt.”

Argus Media

[Viewpoint: Asia gasoil, jet fuel supported by IMO 2020](#)

“Plans by the International Maritime Organisation (IMO) to cut sulphur content in marine fuels from 2020 are poised to affect Asia-Pacific middle distillates markets, as marine fuel users seek to blend gasoil with high-sulphur fuel oil to bring down sulphur content. This implies a reduction in middle distillate availability, directly hitting gasoil and jet fuel supply — and so prices and differentials — in the run-up to the implementation of the new requirements in January 2020.”

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[IMO 2020 Shaping Up to be Bad News for Small and Medium Sized Players](#)

“When it comes to IMO 2020, it seems there are very few things the industry can agree on.”

S&P Global Platts

[Oil Quarterly: European fuel oil market to remain strong amid tight supply](#)

“The European high sulfur fuel oil market will head into 2019 supported by the solid demand from buyers east of Suez and ongoing reduction in supply that have underpinned values for much of this year.”

Ian Adams, IBC Asia

[IMO 2020 Impacts to the Shipping Industry – An Expert’s Perspective](#)

“On 1 January 2020 the final piece of the jigsaw that is the amended International Maritime Organization’s (IMO) MARPOL Annex VI will fall into place. Ships will be required to consume fuel with a sulfur content of 0.5% m/m or less globally. This event has been widely referred to as IMO 2020. What impact is this going to have?”

Su Ling Teo, S&P Global Platts

[Hong Kong Dec low sulfur marine gasoil price drops 18% from Nov on weak demand](#)

“Delivered low sulfur marine gasoil prices in Hong Kong tumbled 17.93% in December so far versus November, as demand has been surprisingly weak despite the upcoming implementation of the Emission Control Area regulation, due to ample supply.”

Oceana Zhou, Surabhi Sahu, Su Ling Teo, S&P Global Platts

[China’s tighter sulfur limit rule for ships to spur LSMGO, LSFO demand](#)

“In less than a month, China is set to tighten its sulfur limit restrictions for ships by imposing a 0.5% bunker fuel sulfur limit in not only its initially designated Emission Control Areas but also along its entire coastline, a move likely to spur demand for cleaner fuels, industry sources said.”

December 17, 2018

Irina Slav, Oilprice.com

[Oil Industry Faces \\$1 Trillion Challenge](#)

“When the International Maritime Organization announced it would introduce a new, lower, sulfur emission ceiling for bunkering fuel, many in the energy industry worried that demand for high-sulfur fuel oil would suffer a blow from which it would not be able to recover. But then scrubbers—equipment that strips sulfur from bunkering fuel—were floated as a relatively easy to deploy alternative to switching to low-sulfur fuel. Now, however, scrubbers’ future is questionable.”

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Mike Wackett, The Loadstar

[Scrubber installation gathers pace ahead of new low-sulphur fuel rule](#)

“The number of exhaust gas cleaning systems (scrubbers) being installed on containerships is gathering pace, according to Drewry. It now accounts for 10% of the global fleet by teu capacity, and more than 40% of newbuild vessels are being fitted with the onboard fuel refineries.”

Craig Jallal, Marine Propulsion

[Fueling speculation on marine fuel prices in 2020](#)

“The last iteration of the Shipping Confidence Index -- the firm's regular survey of the industry -- included a supplementary question asking respondents to reply with their expectation of the price differential between high sulphur fuel oil and IMO-compliant low sulphur fuel oil on 1 January 2020. The spread of price differentials given by the bulk of respondents was very wide: from US\$175/tonne to nearly US\$400/tonne.”

December 14, 2018

Talk Business & Politics

[Ocean ship fuel regulations to create price uncertainty in crude oil, petroleum products](#)

“International regulations that limit sulfur in fuels for ocean vessels look to increase uncertainty in prices for crude oil and petroleum products for the short and long term, according to the U.S. Energy Information Administration. The regulations are set to take effect in January 2020.”

Hellenic Shipping News

[Scrubbers under scrutiny by maritime industry as IMO 2020 nears](#)

“Looming 2020 regulations capping marine fuel sulfur at 0.5% have so far benefited manufacturers marketing scrubbers – or exhaust gas cleaning systems, as they are more formally known – but this solution is now being viewed with a more critical eye.”

Jack Jordan, S&P Global Platts

[Outlook 2020: Credit-starved bunker industry limps towards IMO 2020](#)

“The bunker industry is in a fragile state as it enters its last year before tougher sulfur restrictions come into force, with several key players in retreat. The International Maritime Organization's lower 0.5% sulfur limit for bunkers comes into effect at the start of 2020, forcing a shift in shipping from fuel oil to cleaner, more expensive alternatives. The supply questions around fuel availability and compatibility for this change are starting to be answered, but a big question for the industry next year will be whether credit availability will be sufficient.”

Andrew Critchlow, *The Telegraph*

[The world is sleepwalking into a \\$1 trillion energy nightmare](#)

“If the threat of higher diesel taxes was enough to cause riots on the streets of Paris then the impact of an obscure new rule forcing shipping companies to use cleaner fuels in commercial vessels has the

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potential to turn the gilet jaunes movement apoplectic with rage unless policymakers wake up to the danger.”

US Energy Information Administration

[Coming changes in marine fuel sulfur limits will affect global markets](#)

“International regulations limiting sulfur in fuels for ocean-going vessels, set to take effect in January 2020, have implications for vessel operators, refiners, and global oil markets. Stakeholders will respond to these regulations in different ways, increasing uncertainty for crude oil and petroleum product price formation in both the short and long term.”

December 13, 2018

Hellenic Shipping News

[2020: The year that will change shipping](#)

“The Institute of Chartered Shipbrokers Greek Branch held its 14th Annual Forum, on Tuesday, 11th of December 2018 at Eugenides Foundation. The title was: «2020: The year that will change shipping» and the Forum was well attended by over 500 shipping professionals of the Greek and International shipping market.”

Associated Press

[Intercontinental Exchange Announces Launch of Marine Fuel Contracts in Advance of IMO 2020](#)

“Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced plans to launch new Marine Fuel 0.5% futures contracts in advance of the implementation of the 0.5% sulphur cap by the International Maritime Organization (IMO) in 2020. The new contracts are expected to launch on February 4, 2019, subject to completion of relevant regulatory processes.”

Pratap John, Gulf Times

[Airlines' fuel bill will rise to \\$200bn next year despite falling prices: IATA](#)

“However, the full benefit of lower oil will not be felt by airlines in 2019 because of the delay caused by hedging in some regions, Europe in particular, and the impact of increases in diesel demand from shipping responding to the IMO 2020 Sulphur regulations.”

OPIS

[IMO 2020 Mandated Bunker Fuel Blending May See Patent Disputes](#)

“Although no one is blending the new 0.5% sulfur bunker, compared with the current 3.5% sulfur bunker, it did not stop major oil companies from formalizing their own branded blending patents or licensing for the low-sulfur bunker fuel.

Based on licensing documents obtained by OPIS, Shell and ExxonMobil have already filed U.S. patent or proprietary licensing for their own low-sulfur bunker blends, which dictates the fuel mix and

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specifications. The patents were registered by Shell Oil Company in Houston in June 2015 and ExxonMobil Research and Engineering Company in Annandale, N.J., in August 2018.

This would mean in theory some oil companies could enforce their new bunker blend patents against competitors if they choose to do so in courts. Industry sources said that Shell and ExxonMobil are more likely to "go after the bigger bunker companies" than the smaller ones if they were to pursue patent infringements."

OPIS

[Analysis: Solution for IMO 2020 Mandate May Be Low-Sulfur Marine Gasoil](#)

"Some bunker players who spoke with OPIS expected a significant percentage of the global shipping market to play it safe by temporarily using low-sulfur 0.5% marine gasoil (LSMGO) at least at the beginning of 2020 to meet the IMO 2020 mandate for all ships to switch to 0.5% sulfur bunker from 3.5% marine fuel. Alternatively, scrubbers could be another solution.

This is even though LSMGO, which is basically 0.5% sulfur gasoil, would be more expensive than low-sulfur bunker. LSMGO is now priced at \$220/ton higher than 3.5% sulfur bunker (high-sulfur bunker), and this price spread is expected to widen significantly as the Jan. 1 mandate looms."

December 4, 2018

Katrine Gronvald Raun, Christian Carlsen, Shipping Watch

[Shipping companies preparing for tighter scrubber regulations](#)

"More ports will ban open-loop scrubbers, project Torm and DHT Holdings after the news that Singapore will ban ships from using open-loop systems in the port's area."

Ship & Bunker

[Cost of IMO 2020 to MSC: \\$2 Billion](#)

"The 0.5% sulfur cap on bunker fuel will add \$2 billion to the box shipping firm MSC's annual fuel bill, the company has said. In response, the company said it will introduce a bunker charge from the start of next year, according to Reuters."

Irina Slav, Oilprice.com

[Is This the Next Disaster for Canadian Drillers?](#)

"The government of Alberta this week took an unprecedented decision to enforce a crude oil production cut so excess inventories could be shrunk and the price of western Canadian grades could improve, but the industry's problems are far from over. They will be among the hardest hit by the International Maritime Organization's new emission rules, to enter into effect in two years, which will require a reduction of the sulfur content of bunkering fuel to 0.5 percent from 3.5 percent."

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December 3, 2018

Jack Wittels, Bloomberg

[Gasoline to Get a New Driver as Shippers Covet an Obscure Fuel](#)

“Drivers of gasoline-powered cars could be about to face an unexpected source of competition when filling up at the pump: merchant ships.

While giant freighters aren’t about to start running on the world’s main automotive fuel, they will have to start emitting less sulfur into the air in 13 months’ time to comply with new regulations. And when that day comes, vacuum gasoil -- an oil refinery product that today often gets reprocessed into gasoline - - may well be diverted to make shipping fuel.”

November 30, 2018

The Maritime Executive

[Singapore Announces Ban on Open-Loop Scrubber Discharge](#)

“On Friday, the Maritime and Port Authority of Singapore (MPA) announced that it will not allow ships with open-loop scrubbers to discharge scrubber wash water in port after January 1, 2020. In order to remain in compliance with the IMO 2020 fuel sulfur limits, these vessels will have to burn more costly 0.5 percent sulfur fuel when calling Singapore, just like ships that are not equipped with scrubbers.”

Jack Jordan, S&P Global Platts

[Marine scrubber installations may peak at 6,000: Platts Analytics](#)

“The number of ships fitting scrubber systems as a means of complying with stricter sulfur emission limits may peak at 6,000 as economic incentives recede after 2020, S&P Global Platts Analytics said.”

November 29, 2018

Emma Cosgrove, Supply Chain Dive

[Carriers scrap ships ahead of IMO 2020](#)

“Shipping lines sold roughly half of this year's containerships for scrap in the last 30 days, after a slow year for container ships headed for scrap. The uptick in the last 30 days is likely due to the coming shifts in International Maritime Organization (IMO) sulfur emissions standards, set to go into effect in 2020, which have carriers analyzing which vessels are worth an upgrade or a serious fuel cost increase, and which aren't worth the effort.”

Surabhi Sahu, S&P Global Platts

[Majority of IMO 2020 compliant bunker demand to be met by marine gasoil, low sulfur fuel oil: IBIA exec](#)

“Compliance to the International Maritime Organization's global sulfur limit rule is expected to be high with about 95% of the compliant bunker fuel demand likely to be met by marine gasoil and low sulfur fuel oil come 2020, Simon Neo, regional manager Asia at IBIA, said Tuesday.”

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Elza Turner, S&P Global Platts

[European refineries should reap benefits from new sulfur limit: conference](#)

“European refiners should reap the benefits from the International Maritime Organization's stricter low sulfur bunker fuel regulations in 2020, with the expected switch of the shipping industry to marine gasoil likely to push refining margins up, according to delegates at the World Refining Association conference in Cannes Thursday.”

November 28, 2018

Elza Turner, S&P Global Platts

[IMO's sulfur cap seen providing medium-term support to refineries](#)

“The International Maritime Organization's more stringent bunker fuel requirements from 2020 will provide support for refineries, at least in the medium term, delegates at the World Refining Association conference in Cannes said Wednesday.”

November 27, 2018

John Bowlus, Energy Reporters

[Scrub, Scrub, Scrub Your Boat: Oilmen and Shippers Brace for IMO 2020](#)

“Shipping drives the global economy and nurtures the fossil fuel-dominated global energy system. Oil-powered ships account for over 80% of global trade by volume and 70% by value. It is strange, then, how little attention ships' greenhouse gas (GHG) emissions have received from the global community.

The urgency of climate change, however, is finally changing this. The International Maritime Organization (IMO), the UN agency responsible for regulating shipping, announced in October 2017 that it would require all ships to cap their sulphur emissions at 0.5% by 2020. They previously capped them at 3.5%.”

November 26, 2018

Ship & Bunker

[IMO 2020: Russia to Provide Stimulus for Low Sulfur Bunker Production](#)

“Russia is taking steps to stimulate the production of low sulfur bunkers and ease the transition to the new IMO 2020 global sulfur cap for the country's refiners.”

November 23, 2018

Digital Journal

[PSCM Energy Receives \\$1.14 Billion Dollar Contract for 14 Million Barrels of IMO-2020-Compliant Marine-Grade Oil](#)

“PSCM Energy and its partner Global Advanced Technologies, LLC (GAT) are implementing a new desulfurization technology which has been developed over the past 15 years and promises to

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revolutionize the oil refining industry. The looming deadline of a sulfur cap on marine fuels imposed by the International Maritime Organization (IMO), which will go into effect on January 1st, 2020.”

Hellenic Shipping News

[Physical bunker fuel suppliers eye indications of 2020 HSFO availability](#)

“As 2020 and the International Maritime Organization’s tighter sulfur cap enforcement loom, physical suppliers are questioning the availability of high sulfur fuel oil at primary bunker hubs and smaller ports.”

November 22, 2018

Lee Hong Liang, Seatrade Maritime News

[NYMEX to list 11 marine fuel 0.5% futures contracts ahead of IMO sulphur cap](#)

“New York Mercantile Exchange (NYMEX) will launch trading for 11 marine fuel 0.5% futures contracts on the CME Globex electronic platform from 9 December this year, roughly one year ahead of IMO’s 2020 fuel sulphur cap regulation.”

Eleni Pittalis, Tamara Sleiman, S&P Global Platts

[Platts exclusive: ICE to launch 0.5% futures contract in preparation for IMO 2020 global marine sulfur cap](#)

“The Intercontinental Exchange said this week that it will be launching 0.5% derivative instruments in preparation for the global marine sulfur cap in 2020, making it the second exchange this week to confirm such a move.”

November 21, 2018

Jonathan Loades Carter, S&P Global Platts

[New 0.5% swap to limit bunker fuel price risk in 2019 as sulfur cap looms](#)

“Marine fuel traders now have the opportunity to hedge a 0.5% instrument against the drastic fluctuations that await the fuel oil industry before the impending 0.5% global marine sulfur cap in 2020, as the first indication of a new derivative instrument for 2019 that reflects fuel oil of 0.5% sulfur was announced this week.

Ship & Bunker

[IMO 2020: Oil Markets Can Deal With 0.5% Sulfur Change](#)

“An oil market analyst sees a smoother-than-expected transition from the International Maritime Organization’s (IMO) 0.5% sulfur cap on bunker fuel as refiners have been anticipating rising global diesel demand.”

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Hellenic Shipping News

[Oil market readies for new IMO regulations](#)

“Global oil markets are adjusting to relatively strong demand for diesel and jet fuel compared to gasoline, coupled with the introduction of new bunker fuel regulations at the start of 2020.”

November 20, 2018

Ship & Bunker

[IMO 2020: Vartdal Sees Slower Vessel Speeds as Bunker Prices Rise](#)

“Birgitte Vartdal, CEO at Golden Ocean Group Limited, sees vessels slowing down as IMO 2020 prompts bunker prices to rise.”

Louise Vogdrup-Schmidt, Shipping Watch

[Big bunker problem might continue past 2020](#)

“Difficulties involved with blending two types of fuel are a factor at present, and will remain so after 2020. Whether or not the problems will become larger or smaller remains uncertain, Bureau Veritas tells Platts.”

November 19, 2018

WHBL

[Refiners get taste of post-IMO world with gasoline/diesel imbalance](#)

“Refineries around the world are squeezing out every last drop of diesel while drowning in gasoline, in what could well become the new normal for the next few years.”

Surabhi Sahu, S&P Global Platts

[Operational use of VLSFO likely to be smooth as IMO 2020 rule looms: VPS executive](#)

“Very Low Sulfur Fuel Oil with 0.5% sulfur content is likely to be the main marine fuel choice in 2020 and the operational use of such fuels will be relatively smooth as shipowners are already testing such fuels, Rahul Choudhuri, VPS managing director for Asia, Middle East and Africa, said Friday.”

Ship & Bunker

[IMO 2020: Scrubber’s Financial Advantage Will Last a Matter of Months, says Lunde](#)

“Veteran ship financier Dagfinn Lunde believes any cost saving by using scrubbers and HFO for IMO 2020 compliance will be extremely short lived.”

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November 16, 2018

Paul Hardy, NSI, via Ship & Bunker

[IMO 2020: Should We Believe the Analysts?](#)

“I have a healthy skepticism of analysts. Especially those which have a vested interest in the commodity they are analyzing.”

Jeffrey McGee, Splash247 (posted October 23)

[A pragmatist's guide to MEPC73](#)

“The IMO’s 2020 sulphur cap is rapidly descending into a colossal regulatory fail, argues Jeffrey McGee from Makai Marine Advisors.”

November 15, 2018

Ship & Bunker

[IMO 2020: Enough 0.5% Fuel Available at the Right Price](#)

“Enough IMO 2020 compliant fuel oil will be available to shipping if it is prepared to pay for it, an investment bank has said.”

Kitack Lim, IMO Secretary General, *The European Sting*

[A Sting Exclusive: “Regulators and the shipping industry collaborating for a sustainable future,” written by the Secretary General of IMO](#)

“I am often asked about my vision for the future of the shipping industry, especially at a time of so much change. As a Secretary-General within the UN system, my vision for the maritime industry is very much concerned with sustainability.”

November 14, 2018

Clyde & Co LLP, Lexology

[A Practical Overview of the IMO 2020 Sulphur Cap – Part 2](#)

“Part 2 provides a summary of compliance challenges facing owners and charterers, in addition to an analysis of the challenges that the IMO faces in enforcing Regulation 14.1.3.”

David Fickling, Bloomberg via *The Washington Post*

[The Oil-Price Collapse Is Being Driven by Cars](#)

“If you’re asking which fraction of the oil barrel is responsible for the collapse in crude prices over the past month, look no further than the world’s drivers....”

Meanwhile, a bigger issue is looming next year: The International Maritime Organization’s pending rules on sulfur content in shipping fuel, which are likely to prompt increased consumption of middle distillates as a replacement for more polluting heavy fuel oil. Meeting that demand with the sweet mix of crude

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oils currently being pumped around the world will mean producing yet more gasoline that the world doesn't appear to want."

Zameer Yusof, Daron Jones, Ng Jing Zhi, S&P Global Platts

[IMO 2020 expected to tighten jet fuel market in medium term](#)

"The upcoming regulation limiting the global sulfur content in marine fuels to 0.5% is expected to have a knock-on effect on jet fuel markets, panelists at a global jet fuel conference said Wednesday."

November 12, 2018

Ship & Bunker

[IMO 2020: Demand for Refinery Feedstock VGO to Rise](#)

"Demand for vacuum gasoil (VGO), a distillate fuel grade used in blending, is likely to increase in the run up to 2020 although the demand will be tempered by the relative value of other products in the refining process, price reporting agency SP Global Platts has said."

November 11, 2018

David Wren, *The Post and Courier*

[Charleston's port, rest of maritime industry, braces for new fuel rule](#)

"A new rule that's bobbing on the horizon is set to come ashore in 2020, requiring container ships that visit Charleston and other port cities around the world to use a cleaner-burning and more expensive fuel. Ultimately the cost of the shift will be passed down to shippers and consumers. Just how big that price tag is going to be remains uncertain."

November 9, 2018

Edgar Ang, OPIS

[Analysis: Recent Scrubber Adoptions Skewing Actual Low-Sulfur Demand Outlook](#)

"As some large shipping companies proclaim their commitments to scrubbers in preparation for the more stringent emissions requirements of the IMO 2020 mandate, shipping sources continue to break down the market expectations for demand of high-sulfur and low-sulfur bunker fuel."

November 8, 2018

Surabhi Sahu, S&P Global Platts

[Interview: 0.5% and 3.5%-S bunkers spread could reach \\$400/mt in 2020 – consultant](#)

"The spread between the price of bunker fuel with maximum 0.5% sulfur and 3.5% sulfur could reach as high as \$400/mt in 2020 as refineries will lose an annual market of over 200 million mt of heavy fuel oil due to the International Maritime Organization's global sulfur limit rule for marine fuels, an industry consultant said Wednesday."

IMO 2020 Watch™

November 7, 2018

Atsuko Kawasaki, Rajesh Nair, S&P Global Platts

[Asian ship owners start taking 0.5% sulfur bunker fuel for testing: industry sources](#)

“Asian ship owners have started taking 0.5% sulfur low sulfur bunker fuel more than a year ahead of when the sulfur cap set by the International Maritime Organization starts in 2020, industry sources said Wednesday.”

Ship & Bunker

[Denmark: Sulfur down by 50%, ECA Compliance rate 95%](#)

“Sulfur in the air over Denmark has been significantly reduced following the tighter sulfur cap in the Baltic emissions control area (ECA) from the start of 2015.”

Ship & Bunker

[IMO 2020: Discounts on 0.5% Sulfur Fuel Oil Unlikely](#)

“Don’t expect any giveaways on the price of IMO 2020 compliant low sulfur fuel oil, price-reporting agency Argus Media has said.”

Ship & Bunker

[Norway Proposed Scrubber Ban as Part of NEW 0.1% ECAs](#)

“The Norwegian Maritime Authority (NMA) wants to create new emissions control areas (ECAs) where marine fuel is capped at 0.10% and scrubbers are banned.”

November 6, 2018

Claire McCormack, AgriLand

[Shipping emissions predicted to rise by up to 250% by 2050](#)

“Global shipping emissions are predicted to increase by between 50% and 250% by 2050 – depending on future economic and energy developments, according to the European Commission.”

Port Strategy

[Vessel Updates Can Help Lower Port Emissions](#)

“Significant decreases in port and vessel emissions can be supported by giving vessels regular updates concerning berth availability, especially in the last 12 hours before port arrival, the International Maritime Organization (IMO) has said.”

IMO 2020 Watch™

November 5, 2018

Ship & Bunker

[More Concern Over HSFO Quality than IMO 2020 Bunkers: Euronav](#)

“With plenty of concern having already been voiced over the quality and compatibility of the upcoming IMO 2020 compliant bunkers fuels, Euronav CEO, Paddy Rodgers, says he thinks the quality of HSFO will be the bigger problem.”

November 2, 2018

American Journal of Transportation

[IMO to further consider the challenges of 2020](#)

“In addition to progress made on a number of important issues, the International Maritime Organisation (IMO) at its recent Marine Environment Protection Committee (MEPC 73) listened to the concerns raised by INTERCARGO and others and offered a constructive way forward to potentially address them. It is critical, especially for the tramp sector, to ensure an effective implementation process for the 2020 Sulphur Cap regulation. The MEPC agreed to consider at its next sessions, concrete proposals on how to enhance the implementation of regulation 18 of MARPOL Annex VI, especially on reporting fuel oil quality and non-availability of compliant fuel oils, including the enhancement of GISIS modules for data collection and analysis.”

Ahmad Ghaddar, Reuters

[Big oil traders set to cash in on shipping fuel overhaul](#)

“The world’s biggest oil traders are gearing up to cash in on big disruptions that could hit the shipping fuel market in just over a year due to new U.N.-mandated environmental rules.”

November 1, 2018

Jonathan Loades Carter, S&P Global Platts

[Feature: Worldwide bunker fuel market struggling to settle after off-spec product alarms](#)

“The worldwide bunker market is struggling to settle after a series of shocks through 2018, with few signs of recovery as market headwinds look set to linger.”

Hellenic Shipping News

[ExxonMobil Starts New Unit at Antwerp Refinery to Produce High-Value Transportation Fuels](#)

“ExxonMobil said that it has started operations of a new unit at its Antwerp refinery in Belgium to convert heavy, higher-sulfur residual oils into high-value transportation fuels such as marine gasoil and diesel.”

IMO 2020 Watch™

Jason Bordoff and Antoine Halff, *Financial Times*

[US bid to delay IMO rules risks unwittingly stoking oil prices](#)

“Efforts to curb air pollution frequently focus on emissions from coal plants and cars, but the battle for cleaner air should not overlook ships. Shipping is the lifeblood of world trade, but it also spews pollution from burning high-sulphur fuel oil. A decade-long effort to clean up marine fuel is about to take effect, but is now being met by calls to delay the long overdue rules to avoid an oil price spike. Such concerns are misplaced, however, and efforts to delay the rules would bring more harm than benefit.”

October 31, 2018

Ship & Bunker

[Authorities Appear Ill-Equipped to Ensure Sulfur Regs Compliance: Euronav](#)

“There are a rising number of breaches to existing emissions control area (ECA) rules, suggesting that flag states are ill-equipped to ensure regulatory compliance, says major tanker owner Euronav.”

The Wall Street Journal

[Clouds Hover Over Shipping’s Key Antipollution Law](#)

“An international effort to slash maritime sulfur emissions has been cast into doubt as fears mount that the new rules will push up energy prices when they take effect shortly after the next U.S. presidential election. The rules, set roughly a decade ago through the International Maritime Organization, an arm of the United Nations, take effect on Jan. 1, 2020.”

Julia Payne, Ahmad Ghaddar, Dmitry Zhdannikov, Reuters

[Gunvor sees major producers capping oil price rises in 2019](#)

“Oil prices will likely stay near current levels of \$75 per barrel next year in the absence of any supply disruptions as most producers reckon that higher prices would destroy demand and create a new glut, one of the world’s biggest traders said.”

Ship & Bunker

[Trump View on IMO 2020 Not Shared by Big Oil](#)

“The US oil industry is letting the Trump administration know about the billions of dollars in investments it has poured into the sector over the past decade to deliver compliant marine fuels to the shipping industry.”

Henning Gloystein, Reuters

[Black gold, white knuckles: Oil refiners face rollercoaster ride as fuel margins seesaw](#)

“Oil product margins have been tossed around on a wild rollercoaster ride in October, as factors like impending Iran sanctions, the Sino-American trade war and upcoming new shipping regulations yank fuel profits up, down and back again.”

IMO 2020 Watch™

October 30, 2018

The Maritime Executive

[Euronav Warns that Scrubbers Could Mask Non-Compliance](#)

“On Tuesday, tanker operator Euronav voiced new concerns about the use of SOx scrubbers to comply with the IMO's impending 0.5 percent fuel sulfur content cap, citing low return on investment, the potential impact of flushing stack emission contents into the ocean via wash water - and the potential for scrubber users to avoid compliance.”

Ship & Bunker

[Refiners Indicating IMO 2020 Bunker Price Premium Will Be Half Current Predictions: Euronav](#)

“Refiners are indicating the premium for IMO 2020 compliant low sulfur fuel will be significantly less than current predictions, Euronav NV said today.”

Erica Alini, Global News

[Analysts expect a diesel price spike – and it could affect the cost of almost anything](#)

“A looming global deadline for the shipping industry could drive up the price of diesel for years, with widespread ripple effects through the economy, energy analysts are warning.”

October 29, 2018

Steve Hanley, CleanTechnica

[Here's How Ship Owners Plan To Cheat On Carbon Emissions Reduction Plan](#)

“Out of sight, out of mind. That simple phrase pretty well sums up how most of us feel about carbon emissions and other pollutants from the world's fleet of cargo ships and oil tankers. 98% of what they do occurs far out to sea, where no laws apply and the only rule is to maximize profits.”

Ship & Bunker

[IMO 2020: Safe Bunkers Should Take Precedence Over Compliance, Says Greek Owners Group](#)

“The Union of Greek Shipowners has stressed the importance of understanding the impact that IMO 2020 bunker fuels will have on ship and crew safety, and when the upcoming global 0.5% sulfur cap on marine fuels comes into force from January 1, 2020, safety should take precedence over compliance.”

Kyle Bakx, Meegan Read, CBC News

[Airlines, trucking industry face sharp rise in fuel prices](#)

“An obscure regulation targeting the international marine shipping industry could have a widespread impact on the economy, including the price of airline tickets and diesel at the pump.”

Jack Jordan, S&P Global Platts

[IMO meeting eliminates doubts over 2020 delay: Fuel for thought](#)

“If any doubts remained that the International Maritime Organization’s tighter sulfur emission limits for ships in 2020 could be delayed or otherwise watered down, those doubts should have been laid to rest at a key committee meeting of the UN body last week.”

Liam Denning, Bloomberg Opinion

[Winners and Loser From a Sea Change in Oil](#)

“Despite efforts by the Trump Administration to turn it, a supertanker is bearing down on drivers, oil majors, and even Amazon.com Inc.”

Dina Khrennikova, Elena Mazneva, Bloomberg

[Russian Oil Set to Lose Billions in Ship-Fuel Overhaul](#)

“Russia is set to suffer the biggest revenue losses from rules mandating cleaner marine fuels from 2020, because the world’s top exporter of the sulfurous residual oil that powers ships doesn’t look prepared for the change.”

October 27, 2018

The Economist

[Sulphur-emissions rules for shipping will worsen global warming](#)

“DP WORLD LONDON GATEWAY, a container terminal on the Thames estuary, is Britain’s fastest-growing port. The borough of Thurrock, where the port is situated, has the country’s third-worst levels of air pollution, in part because of fumes spewed out by ships in the port. Upriver, in London, the International Maritime Organisation (IMO), the United Nations agency for shipping, began a meeting on October 22nd aimed at taking action against air pollution. But new rules to make ships cleaner will impose crippling costs on the industry while worsening global warming.”

October 26, 2018

Jonathan Saul, Reuters

[U.N. shipping agency pushes ahead with tougher marine fuel rules](#)

“The United Nations shipping agency pushed back this week on any phased entry for tougher marine fuel rules and further tightened regulations that will come into force in 2020.”

Ship & Bunker

[IMO 2020: Fuel Oil Carriage Ban Approved](#)

“The 73rd session of the IMO’s Marine Environment Protection Committee (MEPC 73) today adopted amendments to MARPOL Annex VI that will prohibit the carriage of noncompliant, high sulfur fuel oil.”

IMO 2020 Watch™

October 25, 2018

Ship & Bunker

[IMO 2020: Gibson Sees Scrubber Sceptics Coming Under Pressure](#)

“Scrubber skeptics could find themselves under pressure to buy into the technology or risk finding themselves at a severe disadvantage in the post-2020 market, Gibson warns”

Argus Media

[White House still studying IMO change: Refiners](#)

“US refining executives today said President Donald Trump's administration appeared undecided on marine fuel changes that could increase diesel prices in 2020.”

The Loadstar

[IMO looks set to introduce ban on ships carrying high-sulphur fuel](#)

“The International Maritime Organization (IMO) will today decide whether to ban the carriage of high-sulphur fuels, The Loadstar has learned.

Amendments to Marpol Annex VI were approved in April, during the Marine Environment Protection Committee (MEPC 72), and would prohibit the carriage of fuels that don't comply with the IMO's 2020 low-sulphur regulations.

The amendments are expected to be formally implemented at this week's MEPC 73.”

Hellenic Shipping News

[What Does The “IMO 2020” Regulation Really Say? A Quick Guide](#)

“The shipping industry has all eyes firmly fixed on the topic, but what exactly do the “IMO 2020” global sulphur cap regulations say? This guide looks at five highly relevant topics, how to comply and how the regulation will be enforced.”

John Kemp, Reuters

[Maritime rule change stirs fear of diesel shortage: Kemp](#)

“The International Maritime Organization (IMO) has so far resisted pressure to soften or postpone the implementation of new regulations requiring ships to use bunker fuels with a lower sulfur content from the start of 2020.

That has prompted warnings from some analysts that the regulations will squeeze the availability of low-sulfur diesel and jet kerosene required by trucks, trains, aircraft, farmers and industry, resulting in big price increases.”

IMO 2020 Watch™

Emma Kettley, S&P Global Platts

[Ensuring IMO 2020 compliance will be difficult for refineries: analyst](#)

“Complying with the International Maritime Organization's tighter sulfur cap from 2020 will not be straightforward for refineries to enable, Damien Valdenaire, science executive at oil industry research body Concawe, said Thursday.”

October 24, 2018

Jack Jordan, S&P Global Platts

[IMO rejects 'experience building phase' for 2020 sulfur cap](#)

“International Maritime Organization member states Wednesday rejected a proposal for an initial "experience building phase" for the implementation of its tighter sulfur limit for marine fuels, despite last-minute support from the US.”

October 23, 2018

Ship & Bunker

[IMO 2020: Stand Firm on Fuel Oil Carriage Ban, Trident Alliance Urges](#)

“The Trident Alliance has urged IMO member states to stand firm on a proposed fuel oil carriage ban....

A ban would effectively make it an offence for any vessel to have noncompliant bunkers onboard unless it had a legitimate reason to do so – such as cases where vessels are fitted with a scrubber, or it was a bunkering vessel delivering fuel to a scrubber equipped vessel.”

Alexander Whiteman, The Loadstar

[Pessimism in the air as the IMO pushes for reduced greenhouse gas emissions](#)

“The momentum behind efforts to curtail shipping’s greenhouse gas (GHG) emissions appears to have come to a standstill, insiders have said as the International Maritime Organization (IMO) Maritime Environment Protection Committee (MEPC 73) meets in London this week.”

Gregory Meyer, *Financial Times*

[US seeks late change to sulphur-cap fuel rules](#)

“The US has joined several flag states to seek an eleventh-hour change to an international clampdown on dirty marine fuels, injecting uncertainty into a long-anticipated shift to lower harmful emissions.”

PortNews

[IMO approves a programme of actions to deliver the initial strategy on reducing greenhouse gas emissions from ships](#)

“The International Maritime Organization’s Marine Environment Protection Committee (MEPC 73) approved the follow-up programme on Monday (22 October). It is intended to be used as a planning

IMO 2020 Watch™

tool in meeting the timelines identified in the initial IMO strategy, which was adopted in April 2018, IMO said in its press release.”

October 22, 2018

Christian Carlsen, Shipping Watch

[Trump's sulfur comments shake bunker market](#)

“Traders tell S&P Global Platts that Trump's comments on sulfur regulations from Friday have "smashed the high-low in the paper market" regarding the European market for marine fuel. "We have seen Trump pull out of bigger things," says one bunker trader.”

Costas Paris, *The Wall Street Journal*

[Maritime Regulator Faces Growing Calls for a Gradual Rollout of Clean-Fuel Rules](#)

“International maritime regulators begin a new round of meetings on antipollution efforts this week under pressure from the U.S. and other nations to soften implementation of new rules that could cost the industry billions of dollars and lead to higher prices for businesses and consumers.”

David Cowan, The Global Legal Post

[IMO rolls out maritime emissions regulatory toolkits](#)

“The International Maritime Organization (IMO), the global regulatory body for shipping, has issued a set of toolkits to support strategies for reduction of emissions across the maritime sector from ships and ports.”

Argus Media

[Shipowners blast suppliers over contaminated bunkers](#)

“The impact of fueling with contaminated bunkers is being unfairly born by shipowners, Maritime Management senior VP Don Carroll said at a conference yesterday.”

Hellenic Shipping News

[Close to 2,000 Scrubbers Already Sold or Retrofitted Onboard Existing Global Fleet](#)

“With the IMO 2020 rule a year and a couple of months away, scrubber systems are beginning to make waves among shipowners, with reports from DNV GL that over the past six months, more than 1,000 of them have been sold.”

October 20, 2018

Financial Express from Bloomberg

[Refiners slump as Donald Trump looks to slow-roll shipping rules](#)

“U.S. refiners are getting stung by President Donald Trump's efforts to keep consumer prices from rising in the runup to the 2020 election.

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The Trump administration is seeking to slow the implementation in 2020 of tighter fuel restrictions on the global shipping industry. The rules, which would slash by more than 80 percent the sulfur allowed in fuel burned by the biggest cargo ships, are expected to increase the cost to move everything from soybeans to Apple iPhones across the oceans, with some of that cost potentially passed on to consumers. Shares of refiners slumped the most in over two years.

The move risks alienating an industry that supported Trump, and which stands to gain from the increase in demand for cleaner-burning diesel fuel. U.S. refineries are more sophisticated than many competitors in other parts of the world, and American companies have invested billions in upgrading their facilities to produce fuel that meets the new rules. It would be the second setback for refiners this month, after Trump decided to allow gas stations to sell fuel with 15 percent ethanol all year.”

The Maritime Executive

[Ten Scrubber Questions Answered](#)

“The Clean Shipping Alliance 2020, a new organization consisting of 25 leading maritime companies representing over 2,000 ships, answers 10 questions about scrubbers.”

Leman Zeynalova, Trend News Agency

[What are the major risks to diesel price outlook?](#)

“Broad-based demand growth across the global emerging markets will support diesel prices over the coming years, according to the report of Fitch Solutions Macro Research (a unit of Fitch Group).”

October 19, 2018

Carl Surran, Seeking Alpha

[Oil and gas refiners plunge following Valero deal, IMO rules](#)

“Also likely affecting refiner shares is a *WSJ* report that the Trump administration is aiming to slow the rollout of new International Maritime Organization rules to power commercial ships; big U.S. refiners likely would be major beneficiaries from selling more higher-grade fuels.”

Chris Gillis, American Shipper

[WSC: Low-sulfur rule delay will “penalize” carriers](#)

“The World Shipping Council, which represents the container carriers, warned that diverting from the Jan. 1, 2020, deadline at this point would be harmful to an industry already in the throes of preparing its vessels and global operations for the deadline.”

IMO 2020 Watch™

October 18, 2018

Timothy Puko, Benoit Faucon, *The Wall Street Journal*

[U.S. Seeks More Time for Ships to Switch to Cleaner Fuels](#)

“The Trump administration is pushing to ease the rollout of new international rules to power commercial ships with environmentally cleaner fuels, fearing the measures will drive up costs for consumers and businesses.”

October 17, 2018

Nick Cunningham, *The Fuse*

[Shipping Industry Remains Unprepared for New Sulfur Rules](#)

“The oil market has already tightened significantly this year, pushing prices higher and putting pressure on producers to increase output. But the impact of new international regulations on maritime fuels set to take effect at the start of 2020 could disrupt the market even more dramatically.”

Tradewinds

[IMO 2020 to cause distillates demand to soar](#)

“Bank of America report says new rules to add up to 4m bpd to MGO and LSFO needs.”

Eleni Pittalis, S&P Global Platts

[IMO 2020 could dent uptake of European 2019 fuel oil contracts](#)

“Discussions on European 2019 high sulfur and low sulfur fuel oil tenders are well under way, but some traders have reservations about being locked into the 2019 contracts due to the potential exposure to price volatility in the lead up to the implementation of the 0.5% global marine sulfur cap.”

October 16, 2018

Jonathan Norris, Su Yeen Cheong, S&P Global Platts

[Asia's 2019 term gasoil negotiations to consider several factors](#)

“The annual gasoil term price discussion for gasoil cargoes loading in East Asia in 2019 from key regional export hubs could see intense debate over late October to November. This is amid the higher than expected prompt cash differential, as well as demand uncertainty in the later half of next year, in the wake of the International Marine Organization's marine fuel specification change in 2020, trade sources said on Tuesday.”

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October 15, 2018

Ship & Bunker

[IMO 2020: Box Operator to Switch to Floating Bunker Pricing](#)

“Hong Kong-based box ship operator OOCL is to change the way it prices in its fuel costs in advance of the coming stricter sulfur cap on bunker fuel....”

The move is in line with other big industry players who have adjusted fuel pricing upwards to meet the predicted higher fuel prices. The reaction of logistics shipping firms, who will have to shoulder some of the extra burden, has, not surprisingly, been negative.”

Marieke Alsguth, Barbara Troner, S&P Global Platts

[Scorpio Tankers to fit 90 product tankers with scrubbers ahead of IMO 2020](#)

“Scorpio Tankers announced Monday its intention to fit approximately 90 product tankers with Exhaust Gas Cleaning Systems (Scrubbers) in preparation for the International Marine Organization's 2020 bunker fuel regulation changes.”

Argus Blog

[Marine fuel limits to renew quality premiums: Par](#)

“Tougher global marine fuel requirements could shift refinery crude buying back to quality concerns instead of logistical advantages, Par Petroleum chief executive Joseph Israel said today.”

October 12, 2018

Hugh R. Morley, JOC.com

[Low-sulfur rule unknowns come into view](#)

“The many uncertainties over the implementation of the new low-sulfur emission regulations to take effect in 2020 include whether enough low-sulfur fuel will be available, how the rules will be enforced and whether shippers will feel an impact beyond higher prices, speakers [sic] at a forum on the impact on the supply chain on Thursday.”

Bethan Bradley, Benjamin Bryant, and Joanna Tsekoura, Clyde&Co, Mondaq

[UK: A Practical Overview Of The IMO 2020 Sulphur Cap](#)

[Part 1 of 3] “With less than eighteen months before Regulation 14.1.3 of Annex VI of the MARPOL Convention comes into effect, there are still numerous challenges surrounding compliance and enforcement, which have cast uncertainty over the effect that the Regulation will have on the international maritime industry, and on individual shipping companies.”

IMO 2020 Watch™

October 11, 2018

Ship & Bunker

[IMO 2020: Bunker Buyers Need to Shift from Thinking Fuel Procurement to Fuel Management, Says ExxonMobil](#)

“The upcoming IMO 2020 global sulfur cap on marine fuel will require ship owners / operators to shift their thinking on how they buy bunkers, says Luca Volta, ExxonMobil’s Marine Fuels Venture Manager.”

October 10, 2018

Matt Muenster, Ship & Bunker

[Navigating Through Complexity: IMO 2020 and Opportunities Created by Fuel Market Dynamics](#)

“With January 1, 2020 just 15 months away, compliance with the IMO’s sulfur cap has the complexity of a game theory framework. Key compliance stakeholders, such as container carriers and refiners, have found their decision-making and likely outcomes are interdependent and made more complex by a volatile energy market that just experienced the highest price of crude in four years.”

Roslan Khasawneh, MarineLink

[Maersk Leases Singapore Oil Storage Ahead of IMO 2020](#)

“Maersk Oil Trading has leased oil storage space in Singapore, signalling a push by one of the world’s biggest ship fuel buyers into the Asian bunkering hub ahead of changes to global fuel standards from 2020, trade sources said.”

Julia Payne, Dmitry Zhdannikov, The Medi Telegraph

[Traders say US to be big winner of new IMO shipping rules](#)

“The United States is set to be the big winner from new marine fuel rules, trading house Gunvor Group predicted on Wednesday, while rival merchants said the world would not face a shortage of distillates as a result of new rules to cut pollution.”

October 9, 2018

Ship & Bunker

[IMO 2020: Maersk's Scrubber Investment Not a Sign of Low Sulfur Supply Doubts](#)

"Maersk's decision to invest in a limited number of scrubbers for IMO 2020 'to ensure compliance in time' should not be taken as a sign the company has doubts over the supply of 0.50% sulfur bunkers, the mega-shipowner says."

Roslan Khasawneh, Reuters

[Diesel crack may hit \\$40/bbl by 2020 with new shipping rules: BAML](#)

"Gasoil refining margins could spike to \$40 a barrel in 2020 as more shippers shift to middle distillate fuels when new rules limiting sulfur emissions take effect, Bank of America Merrill Lynch said on Tuesday."

Clifford Krauss, *The New York Times*

[Shipping Industry Stares Down New Fuel Restrictions](#)

"'It comes down to who is going to blink first,' said Neil Beveridge, an oil analyst at Sanford C. Bernstein, a research firm for investors. 'So far, the shipping industry looks like it is sleepwalking into a disaster. Everyone is waiting for everyone else to make the first move.'"

Avantika Ramesh, S&P Global Platts

[Feature: Forward paper derivatives shine some light on HSFO's value post IMO 2020](#)

"The fundamentals of the international bunker fuel market are set to recalibrate in 2020 when the International Maritime Organization tightens the global sulfur cap on marine fuel to 0.5% from the current 3.5%.

As the industry prepares for the change, many questions surrounding the viability of alternative fuels like marine gasoil or LNG, installing scrubbers on vessels to continue using high sulfur fuel oil and the level of compliance by shipping companies with the stringent new standard are yet to find answers.

Amid the uncertainty, forward paper derivatives for fuel oil can provide some insight into the bets that market stakeholders are placing on the outcome."

Surabhi Sahu, S&P Global Platts

[Interview – VLSFO to be main marine fuel choice as IMO 2020 looms: Cockett Group CEO](#)

"Very low sulfur fuel oil is set to be the chief marine fuel choice as the International Maritime Organization's global sulfur limit rule for marine fuels inches closer, Cockett Group CEO Cem Saral told S&P Global Platts in an interview last week."

October 8, 2018

Barry Parker, Seatrade Maritime News

[The economics of scrubbers](#)

“The IMO 2020 clock is ticking - as 1 January 2020 looms closer, now little more than one year away, interest in scrubbers seems to have surged. Most notably, a number of public companies have joined the scrubber fray, leading financial analysts, rather than purely technical types, to look closely at their economics.”

Port Technology

[Drewry: Surcharges Could Spike by 60%](#)

“In its ‘IMO 2020 Low Emissions Regulation Survey,’ Drewry says that the uncertainty means nobody can accurately forecast the cost of compliance – with the only thing they can confidently predict is that it will stretch into the tens of billions.

The price of low-sulphur fuels, such as liquefied natural gas (LNG), per tonne could rise by as much as 55%, with fuel surcharges spiking 60% by the time the new rules on sulphur emission come into force on January 1 2020.”

Robert Brelsford, *Oil & Gas Journal*

[Shell starts up new unit at Pernis refinery](#)

“Royal Dutch Shell PLC subsidiary Shell Nederland Raffinaderij BV has commissioned a new solvent deasphalter (SDA) unit at its 404,000-b/d Pernis refinery and integrated petrochemical production site in Rotterdam, the Netherlands.

The new unit enables Pernis to process a larger proportion of its oil intake into cleaner transport fuels, including marine gasoil compliant with the International Maritime Organization’s (IMO) confirmed reduction in sulfur content for marine bunker fuel to 0.5 wt % from a current 3.5 wt % by Jan. 1, 2020, Shell said on Oct. 8.”

October 4, 2018

Hellenic Shipping News

[Singapore’s shipping industry aims to achieve cleaner fuel target ahead of 2020 global deadline](#)

“Singapore, a major marine oil supplier, is accelerating plans to move towards cleaner and alternative fuels.

The Maritime and Port Authority of Singapore (MPA) is working closely with stakeholders to ensure that Singapore is ready to supply low-sulphur compliant fuels ahead of a Jan 1, 2020, global deadline set by the International Maritime Organisation (IMO), said Senior Minister of State for Transport and Health Lam Pin Min on Wednesday (Oct 3).”

IMO 2020 Watch™

Bunkerspot

[Global: Intercargo Voices Concern over Safety of IMO 2020 Compliant Fuels](#)

“At its semi-annual meeting in London this week, the association highlighted recent fuel contamination problems in the US Gulf, noting that: ‘Policing the quality of the new compliant fuels seems to be a great challenge already, as it has proved extremely difficult to address the very serious recent problems with existing fuels.’”

TradeWinds

[Customers must carry cost of IMO 2020, says Niels G Stolt-Nielsen](#)

“Shipowners face bankruptcy if customers do not soak up the additional fuel costs created by new emissions laws arriving in 2020, warns Niels G.”

The Medi Telegraph

[Shell announces supply ports for new 0.5% sulfur fuel](#)

“The company will make the new fuels available at New York, Freeport, New Orleans and Houston, among others, in the Americas, and in Barcelona, Antwerp, Rotterdam, the Piraeus and the Danish Strait in Europe.

Trials for the new fuel are currently ongoing with Shell’s customers in Rotterdam, Singapore and New Orleans.”

Emma Kettley, S&P Global Platts

[Feature: Bunker fuel sales on contract basis to rise approaching 2020](#)

“Bunker fuel volumes sold on a contract basis rather than on the spot market are expected to increase as the market's focus remains firmly on the approaching tighter sulfur regulations.

As the International Maritime Organizations Maritime Organization's global bunker sulfur limit drops to 0.5% from 3.5% at the start of 2020, bunker fuel buyers will be looking to try and guarantee supply of their chosen compliant fuel.”

October 3, 2018

Ship & Bunker

[Cost of IMO 2020 Still a Major Unknown: Survey](#)

“A new survey by Drewry has painted a bleak picture of the industry’s understanding of what the cost of compliance will be for the upcoming IMO 2020 rule.

Of the respondents, 75% of global shippers/Beneficial Cargo Owners (BCOs) said they had yet to receive information from their providers on how the cost will be met.”

IMO 2020 Watch™

The Maritime Executive

[OPEC Forecasts Falling HFO Prices and More Scrubber Orders](#)

“In its latest annual report on the world's oil market outlook, OPEC has lowered its prediction for non-compliance with the IMO 2020 fuel sulfur content regulation. The organization now forecasts a non-compliance rate of 25 percent when the rule takes effect, reduced from an estimate of 40 percent issued the same time last year.

Counter to the views of many maritime industry participants, OPEC expects that a sharp price spread between low-sulfur fuels and high sulfur fuel in the post-2020 bunker market will drive a strong uptake of scrubber technology. This will help to reduce non-compliance, OPEC predicts, and the rate could fall to just 10 percent by 2023, ‘in line with the increasing number of vessels with on-board scrubbing facilities.’ OPEC predicts that scrubber orders will take off only when this price spread occurs, not before, since there is currently no financial advantage in paying for a multi-million-dollar retrofit package.”

Ritzau Finans, Shipping Watch

[New study: Shippers poorly prepared for sulfur cap](#)

“Only one in ten of the liner shipping companies' customers have performed a real analysis of the sulfur regulations' impact on their costs, according to a study published by consultancy firm Drewry.”

American Journal of Transportation

[Drewry survey: IMO 2020 low-sulphur rule exposes widespread concern about lack of fuel cost transparency](#)

“There is considerable unease among global shippers/BCOs (Beneficial Cargo Owners) and freight forwarders ahead of the IMO's 2020 global emissions regulations, due to come into force on 1 January 2020, according to a survey conducted by global shipping consultancy Drewry.”

Ship & Bunker

[IMO 2020: New Rules Will Cause a “Second Round” of Slow Steaming, says APL](#)

“The ‘IMO 2020’ global 0.50% sulfur cap on marine fuel will cost the shipping industry \$60 billion per year, Nicolas Sartini, Chief Executive Officer, APL, said in his keynote speech at SIBCON today....”

As part of the efforts to reduce costs as a result of the new rules, Sartini says the industry will witness a ‘second round’ of slow steaming, which will also spur a new wave of maintenance solutions such as the modification of ship bows.”

Surabhi Sahu, S&P Global Platts

[Interview: ExxonMobil readies for IMO 2020 as industry faces multi-fuel future](#)

“The International Maritime Organization's global sulfur limit rule for marine fuels is set to usher in a multi-fuel future where fuel quality will be paramount and compliance to the rule will be high, Luca Volta, marine fuels venture manager at ExxonMobil, said on Wednesday.

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'We've had a good discussion with our customers around the requirements of their fleet as well as the fuel mix,' Volta said, adding that it was important that the company's products were 'fit for use.'

Surabhi Sahu, S&P Global Platts

[Interview: Compliance with IMO 2020 rule to be high despite concerns – consultant](#)

"Compliance with the International Maritime Organization's global sulfur limit for marine fuels will likely settle around 90% in the initial years after 2020 as most shipowners switch to 0.5% sulfur bunker fuels to meet the rule, a bunker industry veteran and senior partner at 2020 Marine Energy Adrian Tolson said Tuesday."

October 2, 2018

Mary Holcomb, Oil and Gas Investor

[OPEC: IMO 2020 To Spur One-Off Oil Demand, Hurt Heavy Crude Producers](#)

"A sulfur cap on global shipping will go into effect in January 2020, an effort by the International Maritime Organization (IMO) to reduce emissions in the marine sector. While that target will directly disrupt shippers and refineries, the implementation of IMO 2020 will provide a one-off spur for oil demand while harming heavy crude producers in the process, OPEC said in its "World Oil Outlook 2040" report released on Sept. 23."

Ship & Bunker

[Bunker Suppliers Need to Fundamentally Change Business Models to Survive: Tolson](#)

"Bunker suppliers need to fundamentally transform their business models in line with future marine energy requirements, the convergence of shipping's sulfur and GHG emissions challenges, and advancements in technology, according to 20/20 Marine Energy's Adrian Tolson."

Hellenic Shipping News

[U.S. to be "strong supplier" of compliant marine fuels ahead of 2020 thanks to shale boom – JBC](#)

"Owing to its booming shale industry, the United States is likely to become an important supplier of low-sulphur marine fuels ahead of major new emissions regulations in 2020, Vienna-based consultancy JBC Energy said."

October 1, 2018

Irina Slav, Oilprice.com

[Fuel Oil Isn't Going Anywhere](#)

"Demand for fuel oil is under threat: media are paying growing attention to the upcoming new emissions standards introduced by the International Maritime Organization, to take effect from January 1, 2020, and fuel oil—the high-sulfur residual product after processing oil into light fractions and middle distillates—is the biggest victim."

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Two recent headlines tell us that Trafigura and BP Singapore have merged their fuel oil and gasoil trading desks ahead of the 2020 deadline, which will ban all bunkering fuel with sulfur content of more than 0.5 percent unless the vessel has a scrubber—equipment that strips sulfur emissions from the fuel. Traders are clearly preparing for a huge slump in fuel oil demand and so are refiners. But, interestingly, they are not turning their backs on fuel oil completely.”

Katrine Gronvald Raun, Shipping Watch

[Maersk and Torm criticize controversial sulfur proposal](#)

“Both Maersk and Torm are against the proposal for an ‘experience building phase’ in connection with the global sulfur cap from 2020. This would create "uncertainty" and could risk "delaying the implementation" of the regulation, says Simon Bergulf, head of regulatory affairs at Maersk.”

Argus Media via Ciston PR Newswire

[Argus launches first new IMO 2020 compliant marine fuel assessment](#)

“Global energy and commodity price reporting agency Argus today launched a low-sulphur fuel oil (LSFO) price assessment for the shipping fuel market in Singapore.

The Argus LSFO 0.5%S price is the first assessment to be launched for new fuels needed to comply with lower sulphur limits for the shipping sector being introduced by the International Maritime Organisation (IMO). The IMO's new regulation will reduce the maximum sulphur content of marine fuels to 0.5pc from 3.5pc from 1 January 2020.”

September 30, 2018

Irina Slav, Oilprice.com

[Refiners Struggle to Adapt To The Shale Boom](#)

“U.S. shale production is at record highs and the momentum is still not over. A lot has been said about the energy self-sufficiency implications of this trend, but there’s something that has not garnered a lot of attention: U.S. shale is light crude, great for making gasoline and other light fuels, but not so great for products such as middle distillates. Why this is important? Because gasoline demand is stagnating while demand for middle distillates is set for a serious boost ahead of the new IMO regulations on maritime vessel emissions.”

September 28, 2018

Seatrade Cruise News

[Shipping companies form scrubber advocacy group](#)

“Nearly 20 companies from the commercial shipping and cruise industries have joined forces to advocate for exhaust gas cleaning systems (scrubbers) and adherence to the International Maritime Organization's 0.5% global sulfur cap in 2020.”

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Olivia Kalb, S&P Global Platts

[Feature: Uncertain options for IMO 2020 sulfur cap, but disruptions expected – analyst](#)

“While analysts expect disruptions in the coal export and import markets, solutions to the International Maritime Organization's 2020 sulfur cap remain unclear, a Wood Mackenzie analyst said in a report Thursday.”

Florence Tan, Reuters

[How the world's oil refiners plan to grapple with their fuel oil output after 2020](#)

“High-sulfur fuel oil (HSFO), essentially the leftovers of an oil refiner's output, will still flow from refineries around the world even after new rules start up in 2020 curtailing its use in the global shipping fleet, a Reuters survey showed.”

September 27, 2018

Mark Szakonyi, JOC.com

[Low-sulfur fuel prices won't be clear to BCOs until next year](#)

“The container shipping industry won't have a handle on the cost of low-sulfur bunker fuel needed to help ocean carriers meet a global mandate until early to mid-2019, even though the rule takes effect in less than 14 months.”

“Even so, higher crude oil forecasts, a low-sulfur fuel estimate from Jefferies investment bank, the expanding spread between low-sulfur marine gasoil and its high-sulfur counterpart, and an analysis of four major port-to-port pairs suggest a steep bill that carriers will seek to recoup from beneficial cargo owners (BCOs) and forwarders. But so-called pricing discovery for the new fuel, of which various types are still being created, won't be finished until between the first and second quarters of 2019, said Matthew Muenster, senior manager of applied knowledge at Breakthrough, a transportation fuel consultancy.”

Eric Yep, S&P Global Platts

[APPEC feature: IMO 2020 sulfur cap to disrupt oil complex and alter trade flows](#)

“The International Maritime Organization's low-sulfur regulation for shipping fuel is shaping up to become one of the biggest shocks to ripple through the oil complex, one which could cause price spikes, change in trade flows and hit every sector that consumes petroleum fuels or uses seaborne trade.”

Martyn Lasek, Ship & Bunker

[IMO 2020 Analysis: Do the Sky High Predictions for Post 2020 HSFO Demand, Scrubber Update Add Up?](#)

“Hype aside, this [surge in interest in scrubber technology] has led to some fairly drastic revisions of both scrubber uptake and HSFO demand. Add in the wildcard of noncompliance and some say as much as 50% of the current HSFO demand could be retained in 2020.”

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September 26, 2018

Ship & Bunker

[IMO 2020: Use of Scrubbers Will Not Last More than 10 Years, Says INTERTANKO](#)

“Despite the recent hype, Dragos Rauta, Technical Director at INTERTANKO, predicts the use of marine scrubbers as an IMO 2020 compliance solution will be relatively short-lived.”

September 25, 2018

gCaptain

[Liberia Calls for Early Reporting on 2020-Compliant Fuel Availability](#)

“Liberia has submitted a paper to the IMO Marine Environment Protection Committee (MEPC) calling for early reporting on the availability of fuel oil that is compliant with the new 0.50 percent global fuel oil sulphur limit well in advance of 1 January 2020, the effective date the new fuel oil must be used on board ships.”

John Kingston, FreightWaves

[Create some safety valves for the new clean fuels rule on ships, or watch Trump erupt: energy economist](#)

“An economist who has been predicting a significant oil market disruption when new rules on the environmental quality of the fuel that powers ships is calling for "circuit-breakers" to stem any sort of spike in the price of diesel.”

Roslan Khasawneh, Jonathan Saul, Reuters

[No delays to implementing shipping fuel sulfur cap in 2020: IMO](#)

“The International Maritime Organization (IMO) will not delay implementing a reduction in the amount of sulfur in marine fuel in 2020, officials with the UN’s shipping agency said on Tuesday.”

September 24, 2018

Nick Cunningham, Oilprice.com

[\\$100 Oil Is A Distinct Possibility](#)

“An oil price spike is starting to look increasingly possible, with a rerun of 2008 not entirely out of the question, according to a new report.”

“The outages from Iran are worse than most analysts expected, and bottlenecks in the U.S. shale patch could prevent non-OPEC supply from plugging the gap. To top it off, new regulations from the International Maritime Organization set to take effect in 2020 could significantly tighten supplies.”

“Put it all together, and “the likelihood of an oil spike and crash scenario akin to the one observed in 2008 has increased,” Bank of America Merrill Lynch wrote in a note. BofAML has a price target for Brent

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at \$95 per barrel by the end of the second quarter 2019. In 2008, Brent spiked to nearly \$150 per barrel.”

Ship & Bunker

[Argus to Price IMO 2020 Bunkers](#)

“Price reporting agency Argus Media is to start price assessments for low sulfur bunker fuel from the start of next month.”

September 23, 2018

Eklavya Gupte, S&P Global Platts

[IMO 2020 to cause one-off oil demand surge before market adjusts: OPEC](#)

“Tighter global shipping pollution regulations from 2020 will lead to a temporary surge in oil demand while denting the oil revenues of producers of heavy or high sulfur crudes, OPEC said in its annual long-term oil forecast Sunday.”

September 21, 2018

Emma Kettley, George Griffiths, Tamara Sleiman, S&P Global Platts

[Feature: Bunkering sector mulls biofuel use in new 2020 sulfur standards](#)

“As the bunkering industry gears up for the International Maritime Organization's tighter sulfur emission standards from 2020, some market participants have been promoting the blending of biofuels as one possible way of reducing emissions.”

“Increasing the proportion of biofuels in the marine distillate bunker fuel pool would be one alternative to installing scrubbers—a system used to collect excess sulfur while burning traditional marine fuel—as a way of meeting the new 0.5% IMO sulfur limit that comes into force on January 1, 2020.”

Jack Jordan, Surabhi Sahu, S&P Global Platts

[Interview: IMO sees “by far” majority of ships complying with 2020 sulfur cap](#)

“The International Maritime Organization (IMO) is expecting “by far” the majority of the world's fleet to comply with its tighter sulfur emission standards in 2020, according to the UN body's head of air pollution and energy efficiency.”

“The IMO's global sulfur limit for marine fuels is set to drop from 3.5% to 0.5% at the start of 2020, forcing most shipowners to switch from burning high sulfur fuel oil to cleaner, more expensive alternatives. While some have raised the concern that some shipping companies may flout the new rules in the hope that their enforcement will be lax, the inconvenience of doing so may prevent this from being widespread, the IMO's Edmund Hughes told S&P Global Platts in an interview Tuesday.”

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September 20, 2018

Sameer C. Mohindru, S&P Global Platts

[Interview: BIMCO aims for standard form for non-compliant marine fuel use](#)

“Shipping association BIMCO and other organizations are working closely with the International Maritime Organization to ensure a standard procedure for ships to use high sulfur fuel if compliant alternatives are not available at a port once the IMO sulfur cap comes into effect on January 1, 2020, a senior executive said Wednesday.”

Emma Kettley, S&P Global Platts

[Fuel oil barge spread liquidity ticks up as IMO 2020 approaches](#)

“An uptick in bids and offers for 3.5% FOB Rotterdam barge spreads for the year of 2020 has been seen on the Intercontinental Exchange as market participants eye up the structure for when the International Maritime Organization's 2020 0.5% sulfur cap on bunker fuel comes into force.”

September 19, 2018

James Catlin, Seeking Alpha

[2020 Sulfur Cap: Scrubbers Gain Favor – But Should They?](#)

“A new debate is erupting in shipping circles. With the 2020 sulfur cap looming, owners are now beginning to make moves toward compliance. Some are opting for scrubbers to curtail emissions, while others see this as a potentially bad decision.”

Louise Vogdrup-Schmidt, Katrine Gronvald Raun, ShippingWatch

[Major stakeholders working to push back global sulfur carrying ban](#)

“A month before a critical IMO meeting concerning the 2020 sulfur regulations, strong industry stakeholders have called for a preliminary “test phase,” a move that generates doubts about the adoption of the ban against carrying sulfur fuel on board ships, say critics.”

September 17, 2018

Ship & Bunker

[Maersk Line to Introduce IMO 2020 BAF From Next Year](#)

“Maersk Line says it will introduce a new bunker adjustment factor (BAF) charge designed to recover increases in fuel related costs associated with the upcoming ‘IMO 2020’ global 0.50% sulfur cap on marine fuel.”

September 14, 2018

S&P Global Platts

[Feature: LSFO future as 0.5% blendstock leaves utilities facing premiums](#)

“There is likely to be a sharp increase in demand for 1% sulfur fuel oil in the coming year as a blendstock to produce 0.5% sulfur marine fuel complying with the International Maritime Organization's new global sulfur limits, pushing up premiums for utility companies in Europe. But new projects to interconnect islands in the key market of the Mediterranean, where low sulfur fuel oil is used for power generation, will eventually reduce demand.”

S&P Global Platts

[Will 2020 be a game changer for bunker credit?](#)

“The twin pressures of tough financial times for the shipping industry and the likelihood of more expensive fuel in 2020 are bringing the issue of bunker fuel bills into focus for the industry.”

“A large proportion of bunker fuels sales are made on credit. Where this occurs, bunker sellers contribute to the working capital and liquidity of ship operators, and this financing has become an important part of the operators' financial structure.”

“For sellers, 2020 is a huge shake-up of their business, not only in terms of products sold and bunkering infrastructure, but also from the perspective of credit. They will face a sudden and substantial increase in demand for credit from customers turning to more expensive fuels.”

Argus Media

[European refiners see IMO sweet spot but clouds ahead](#)

“European refiners will reap rewards from the global shipping industry's response to the International Maritime Organisation's (IMO) marine sulphur emissions cap, but broader decarbonisation moves and environmental concerns pose challenges, the Platts European refining summit heard.”

Argus Media

[Scrubbers a good investment: Norway's DNB](#)

“The shipping-exhaust cleaning equipment known as scrubbers are a good investment, especially for larger tankers, according to Norwegian bank DNB.”

“Using an assumed spread of \$250/t between prices for HSFO and ‘a compliant alternative’, DNB estimates scrubber installation would pay for itself within nine months for a very large crude carrier (VLCC), 12 months for a very large gas carrier (VLGC), 14 months for a Capesize dry bulk carrier, 17 months for a Medium Range (MR) product tanker and 18 months for a Supramax.”

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Robin Meech, Ship & Bunker

[IMO 2020 INSIGHT: High Levels of Noncompliance Unavoidable in 2020](#)

“Over the next 15 months, some 60,000 ships need to clean their bunker tanks to be compliant on 1 January 2020.... IMO has been addressing this issue within the ship implementation planning for 2020 but it is now unavoidable that many ships will not be compliant during the first half of 2020.”

September 13, 2018

Elza Turner, Jack Jordan, S&P Global Platts

[Refining summit sees IMO 2020 shipping pollution requirements boosting diesel, LSFO demand](#)

“Tighter shipping pollution requirements from 2020 are expected to increase demand for diesel and low sulfur fuel oil, giving ongoing support to already healthy refining margins in Europe, according to speakers at an industry event Thursday.”

John Paul Hampstead, FreightWaves

[Maersk changes course, will install IMO 2020 scrubbers](#)

“As late as last month, during APM-Maersk’s (AMBKY) Q2 earnings call, CEO Søren Skou insisted that the Danish shipping line did not take a favorable view of scrubbers as a means to comply with the IMO 2020 guidelines reducing the sulphur content of marine fuel from 3.5% to 0.5%.”

“Maersk shifting its official position on scrubbers should be seen as part of an accelerating maritime industry adoption of the technology. *Ship & Bunker* reported that in May 2018, the total number of vessels that had either ordered or installed scrubbers totaled 817 vessels, a spike of nearly 300 vessels in just a few months.”

Ole Petter Skonnord, Reuters

[Norway’s Vistin sees trading opportunities ahead of 2020 ship fuel changes](#)

“Energy trader Vistin Trading, a part of pharmaceutical company Vistin Pharma, sees big trading opportunities ahead of new stricter shipping fuel regulations in 2020 and plans to set up two new funds by the end of the year.”

September 11, 2018

Ship & Bunker

[IMO 2020: Shipowner Concerns Over Bunker Quality Increasing](#)

“Changes to bunker fuel to be burned by ships after January 1, 2020 may cause engine problems and this issue is of rising concern to shipowners.”

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September 10, 2018

Jesse Snyder, *Edmonton Journal*

["A devaluation of oilsands assets": New maritime rules will make a fifth of output uneconomic within two years.](#)

"From the lack of available pipeline capacity to the potential adoption of electric cars, there is no shortage of threats facing the Canadian oilsands. But the latest menace lies in a seemingly innocuous and highly common element: sulphur."

September 8, 2018

Nick Cunningham, Oilprice.com

[Goldman: Don't Expect a Major Oil Price Spike from IMO Regulations](#)

"We are now a little over 15 months away from a major set of international regulations over maritime fuels, which have raised concerns about the havoc and price spikes that may occur over a lack of fuel supply. But a new report says that meeting the new standards will be 'challenging, but solvable.'"

September 7, 2018

Jeffrey McGee, Splash247.com

[How the IMO got the sulphur cap so wrong](#)

"Amidst the wave of content on the IMO's 2020 implementation for 0.5% sulphur bunkers, most shipping commentators are either missing or deliberately evading one point—the IMO screwed up massively."

Eleni Pittalis, Eklavya Gupte, S&P Global Platts

[Analysis: Saudi Arabia could be vital to fuel oil's hazy future](#)

"As demand shifts away from 3.5% HSFO in the bunker market to cleaner marine fuels due to the International Maritime Organization's global 0.5% marine sulfur cap from 2020, Saudi Arabia could emerge as one of the main outlets for this product."

September 3, 2018

Surabhi Sahu, S&P Global Platts

[Ship operators need to take a strategic approach to IMO 2020: Lloyd's Register](#)

"Ship operators need to take a strategic approach as the International Maritime Organization's global sulfur limit rule inches closer and full compliance to the rule still remains a question mark, Douglas Raitt, regional consultancy manager Asia at Lloyd's Register, said...."

"Ship operators needed to ask themselves questions such as 'Where am I trading, what ports do I call, what product is available there, what is the quality and the chemistry of fuel I am loading, how do I

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require to store and manage the fuel onboard and how can I train my crew to operate the vessel with that fuel correctly,' Raitt said at the Wilhelmsen Ship Management event in Singapore on Friday."

Alan Gelder, *Forbes*

[Will IMO 2020 Introduce Mayhem Or Opportunity To The Refining And Marine Sectors?](#)

"It is rare that a fuel specification change could disrupt the oil value chain, but the International Maritime Organization's (IMO) planned change to bunker fuel regulation may do just that."

Petroleum Intelligence Weekly

IMO Spurs Big Investments from Asian Refiners

"As the go-to destination for much of the world's excess fuel oil and home of the world's largest bunkering port, Singapore, Asia will acutely feel the aftershocks of the International Maritime Organization's (IMO) tightening sulfur regulations going into effect in 2020. But the region's refiners see an opportunity. With demand for high-sulfur fuel oil (HSFO) set to crater and demand for marine gasoil (MGO) set to spike, Asian refiners are keen to capture the windfall profits up for grabs by boosting output of IMO-compliant MGO. The IMO rule changes will cap sulfur content in marine bunker fuel at 0.5% starting Jan. 1, 2020, down from 3.5% currently."

August 31, 2018

Surabhi Sahu, S&P Global Platts

[Interview: A third of total bunkers in 2025 may be high sulfur fuel oil being scrubbed – MECL MD](#)

"A third of the total bunkers in 2025 could be high sulfur fuel oil being scrubbed, compared to an estimate of about 8% in 2020, as the uptake of exhaust gas cleaning systems, also known as scrubbers, accelerates after the implementation of the International Maritime Organization's 2020 rule, Robin Meech, managing director at Marine and Energy Consulting Limited said Thursday."

Ralph Grimmer, Stillwater Associates (July 11, 2018)

[Expected Pricing and Economic Impacts of the IMO 2020 Rule](#)

"The global mix of sweet and sour crude oil production volumes may change beyond 2020 if the relative prices for crude oil grades change markedly from current levels (e.g. if sweet/sour crude differentials widen measurably) and if the marketplace perceives these changes as durable. If substantially wider sweet/sour crude price differentials are expected, the exploration and production sector will prioritize resources toward production of lighter, lower sulfur content crudes in its expenditures on existing fields and in developing new reserves."

August 30, 2018

Argus Media in *The Maritime Executive*

[Marpol: What Will Compliance Look Like in 2020, and Beyond?](#)

"Argus' view is somewhat different. We expect there to be a significant dislocation in terms of bunker fuel use and pricing with the introduction of the new sulfur cap in 2020. For some refiners, the new

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environment will offer a significant opportunity, for others it will mean an even fiercer struggle for survival. In addition, we expect the bulk of the investment required for meeting the new standard to fall not on the refiner but on the shipowner.”

Alex Longley and Irene Garcia Perez, mySanAntonio.com

[Oil seen getting \\$4 a barrel boost on tough new ship-fuel rules](#)

“New regulations to curb pollution from the world’s shipping fleet could lift crude prices by \$4 a barrel when the measures come into effect in 2020, according to a Bloomberg survey of 13 oil industry analysts.”

August 29, 2018

Jack Wittels, Bloomberg

[Maersk Sees Fuel Bill Soaring by \\$2 Billion From 2020 Rules](#)

“The world’s largest container shipping line says adhering to stricter environmental standards could add at least \$2 billion to its annual fuel bill from 2020, one of the clearest examples yet of how vessel owners will be affected by rules to curb sulfur emissions that take effect in 16 months’ time.”

Ship & Bunker

[IMO 2020: Scrubbers Are Nonsense, Says Frederiksen](#)

“With excitement over marine scrubbers having reached fever pitch levels this summer, sky-high expectations for the technology were brought back to earth today by shipping magnate John Frederiksen, who has labeled them as ‘nonsense.’”

August 28, 2018

Louise Vogdrup-Schmidt, ShippingWatch

[Report: Every third carrier will not be ready for new environmental regulations](#)

“More than one in three carriers will be not be able to comply with the global sulfur cap or ballast water regulations in 2020, shows a new report from investment bank UBS.”

August 26, 2018

Justin Ziebart, Oilprice.com

[Which Refiners Win From Strict Fuel Regulations](#)

“With IMO 2020 regulations looming, many refineries are retooling and adding capacity to deliver more middle distillates. The International Energy Agency (IEA) anticipates 7 million additional barrels per day of refining capacity to come online by 2023, mostly in the Middle East, China and other emerging Asian markets. Currently, about 16 refinery coking projects are pending or underway in Europe, Russia, Central Asia (Former Soviet Union), and Turkey alone. Turning heavy residual components, like high sulphur marine fuels, into more middle distillates is a key driver.”

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August 24, 2018

Kaibalya Pravo Day, Nasdaq

[IMO 2020 to Alter Global Fuel Economics: Will Refiners Gain?](#)

“IMO 2020 is expected to have a direct effect on the global refining sector, something which investors are wary of. The new rule is expected to bring in a sea change at refineries in terms of their operations and configurations. While simple refineries are expected to suffer initially from the change, complex and larger refineries can reap profits from the decision.”

August 21, 2018

Roslan Khasawneh, Reuters

[High-sulfur fuel demand outlook jumps as shippers soften stance on scrubbers: FGE](#)

“Demand for high sulfur marine fuels is likely to see a smaller drop than previously expected by 2020, said consultancy FGE, as changing attitudes to sulfur-stripping technologies from large shippers alter the outlook for use of the fuels....

If scrubber adoption continues at current rates over the next 18 months, “and we see further commitments from large shipping operators, the scrubbed (high-sulfur fuel oil) consumption in 2020 can be lifted significantly to above 800,000 barrels per day (bpd),” said FGE.

This is up from FGE’s previous demand estimate of 300,000 to 400,000 bpd, said Olney.”

August 20, 2018

Tsvetana Paraskova, Oilprice.com

[Oil Markets Are In For A Bumpy Ride](#)

“The always-volatile oil market is set for even more volatility over the next two years as investors and speculators try to make sense of the conflicting market forces determining the pace of demand growth and global oil supply.

Over the past month, the two key themes have been how much Iranian oil will come off the oil market from U.S. sanctions in November, and how much demand growth could suffer with the trade wars. More recently, another theme is the emerging markets turmoil following Turkey’s crisis. Throw in all the new and much stricter International Maritime Organization (IMO) regulations on sulfur fuel oil requirements from 2020 that are expected to upend the refining and shipping markets, and oil prices are set for wild swings, industry executives and analysts say.”

Ship & Bunker

[IMO 2020: Maersk, Vopak to Launch 0.5%S Bunkering Operation in Rotterdam](#)

“A.P. Moller - Maersk and tank storage firm Royal Vopak today have announced they will partner to launch an IMO 2020-focused 0.50% sulfur bunker supply operation in Rotterdam. The new venture will

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supply about 20% of Maersk's global demand, enabling A.P. Moller – Maersk to deliver approximately 2.3 million mt per year, the parties said."

Mike Priaro, JWN

[Meeting the IMO's new limits on sulphur in marine fuels](#)

"It is not certain if and how the refining industry can actually achieve making the large changes in its products and markets to meet the International Maritime Organization's 2020 deadline to reduce sulphur in marine fuel to 0.5%.

The IMO's change to allowable sulphur in marine fuels is so dramatic and there is so little lead time that it is difficult to see how the majority of ships could be ready to comply by 2020, which is only 16 months away as of late-August.

It seems likely the IMO may be forced to provide ship owners with some form of relief in regard to the timing for compliance. or provide incentives to comply."

August 17, 2018

TradeWinds

[Compliant fuel, not scrubbers, chief choice for IMO 2020](#)

"Only 2% of global fleet to adopt scrubbers to meet sulphur cap requirements, UBS report reveals."

August 16, 2018

Irina Slav, Oilprice.com

[New Shipping Regulation Could Be a Boon for LNG](#)

"LNG is hot and it's likely to become a lot hotter in the coming years, for which LNG producers have the International Maritime Organization (IMO) to thank. Earlier this year, the IMO announced its first ever long-term plan to reduce harmful emissions from maritime transport by introducing much stricter maximum sulfur emission limits. Now, a race is in the making between LNG fueling terminals and gas-powered vessels, and this race will only intensify in the coming months."

August 15, 2018

Erin Douglas, Bloomberg

[Truckers nearing worst price shock since 2008](#)

"Every time Chuck Paar makes the over 500-mile round trip from his home in Mount Jewett, Pennsylvania, to Buffalo and Syracuse, New York, his 18-wheel tractor trailer carries 25 tons of sand or cement and burns about \$265 of diesel in one day. That's up from as little as \$166 for the same route two years ago, and the increased cost of fuel is squeezing already thin industry profit margins.

It's about to get worse.

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In 16 months, new standards [IMO 2020] will descend on a corner of the global oil market that may disrupt fuel supplies crucial to transportation industries like trucking, airlines, railroads and ships. While the goal of the change is to reduce sulfur emissions, which cause acid rain, the rules could boost diesel prices by 20 percent to 30 percent, according to the International Energy Agency. That means Paar could be shelling out more than \$344 on fuel for each New York trip....

‘Everybody missed this in our industry,’ said Glen Kedzie, vice president of energy and environmental affairs for the American Trucking Association. The organization began alerting trucking company owners a few months ago, and found that most had never heard of IMO and didn’t know about the risk to fuel markets. ‘No one knows about this,’ Kedzie said.”

Jonathan Saul, Nina Chestney, Reuters

[New fuel rules push shipowners to go green with LNG](#)

“Tough new rules on marine fuel are forcing shipowners to explore liquefied natural gas as a cleaner alternative and ports such as Gibraltar are preparing to offer upgraded refueling facilities in the shipping industry’s biggest shake-up in decades.”

August 14, 2018

Reuters

[More ships adding scrubbers to their smokestacks to support fuel oil usage in 2020: JBC](#)

“An increase in the number of ships adding cleaning systems to their smokestacks will mean vessels will continue to burn a sizable amount of fuel oil once new sulfur regulations for the fuel go into effect, Vienna-based consultancy JBC Energy said on Tuesday.

Ships installed with exhaust gas cleaning systems, known as scrubbers, are expected to burn 600,000 barrels per day (bpd) of high-sulfur fuel oil (HSFO) in 2020 when the new rules from the International Maritime Organization (IMO) start, JBC said.”

August 13, 2018

Robert Tuttle, Bloomberg

[Shipping-Fuel Rule Change Cuts Demand for Canadian Oil](#)

“As if pipeline bottlenecks weren’t enough, Canadian heavy oil producers are facing a new barrier to marketing their crude.

New rules limiting the amount of sulfur allowed in shipping fuel is expected to cut demand for both high-sulfur fuel oil and the sour crude that yields it. In Canada, that could extend—or worsen—the biggest price slump in nearly five years.”

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August 10, 2018

Ship & Bunker

[IMO 2020: Expect Bunker Costs to Jump 50%, says Wallenius Wilhelmsen](#)

“Wallenius Wilhelmsen says it expects bunker costs to rise 50% as a result of the ‘IMO 2020’ global 0.50% sulfur cap for marine fuel.... The shipowner said the new rules...represent ‘a challenge and risk for the shipping industry’ not just in terms of cost, but also because of a lack of clarity around the availability and quality of fuels.”

NASDAQ (from Reuters)

[PBV Chalmette refinery mulls reviving idle coker, HCU](#)

“PBF Energy Inc is considering restarting a hydrocracking unit (HCU) and a coker idled for near a decade at its 190,000-barrel-per-day (bpd) refinery in Chalmette, Louisiana, sources familiar with plant operations said on Friday.”

“During a May 3 earnings conference call, PBF Chief Executive Thomas Nimbley said restarting the coker could be quickly paid off by the anticipated jump in marine fuel prices expected from the switch in 2020 to lower sulfur fuel mandated by the International Marine Organization.”

August 9, 2018

Alan Neuhauser, *U.S. News & World Report*

[Up or Down: A Look at Where Oil Prices Could Go](#)

“The seeming consensus among analysts is that the [crude price] downturn is merely temporary: Rising global demand for oil, renewed U.S. sanctions on Iran, shrinking production and exports from Venezuela and *a new regulation* that's expected to cause a surge in demand for diesel fuel will likely drive oil prices higher in the coming months, potentially causing pain for consumers at the pump” [emphasis added].

Justin Ziebart, Oilprice.com

[Shockwave In Shipping Could Send Brent Soaring](#)

“The IMO 2020 sulphur regulation is expected to increase demand for distillates, but also demand for low-sulphur crudes like Brent. This presents a challenge.”

Colin Foreman, *MEED (Middle East Business Intelligence)*

[IMO regulation will create more losers than winners](#)

“As one of the most potentially disruptive product quality change in decades, the switch to a compliant low-sulphur bunker fuel is...expected to cost the shipping industry billions of dollars globally, causing freight rates to go up and raising costs down the line.”

IMO 2020 Watch™

August 7, 2018

Nicholas Woodroof, *Hydrocarbon Engineering*

[ESAI Energy report examines possible effects of IMO's sulfur cap on bunker fuels](#)

“According to ‘Five-Year Global Fuels Outlook’, when implemented in 2020 the sulfur cap will lead to a 1.0 million bpd increase in demand for marine gasoil and a 900,000 bpd decline in residual bunker fuel consumption. In response, refiners will raise throughput and leverage existing capacity to meet higher gasoil demand, and in the longer term invest in additional upgrading capacity. The spike in gasoil demand will strengthen gasoil spreads to crude significantly, but weaken gasoline and fuel oil spreads as these markets become oversupplied.”

Transport Topics

[EPA to Study Financial Implications of Maritime Emissions Rules](#)

“The U.S. Environmental Protection Agency has launched a study of the potential economic impact forthcoming regulations that require shipping vessels to burn cleaner fuel might have on other transportation sectors, including trucking.”

August 6, 2018

Eleni Pittalis, Elza Turner, S&P Global Platts

[Factbox: Refinery upgrades, works to ramp up ahead of 2020 IMO sulfur cap](#)

“As the International Maritime Organizations 2020 0.5% global marine sulfur cap edges closer, refinery upgrades are expected to pick-up through H2 2018 and early 2019 and the entire refined products market could see a tighter supply complex as refining capacity is taken offline.”

August 5, 2018

Tsvetana Paraskov, Oilprice.com

[The Key Oil Price Driver By 2020](#)

“Diesel, marine gasoil, and jet fuel—collectively known as middle distillates—account for more than a third of global oil consumption. Used in road transportation, shipping, aviation, and manufacturing, middle distillates are more closely linked to economic growth than any other section of the oil products market.”

“Inventories of middle distillates—one of the most important refinery products—are also closely correlated with oil price trends and with the shape of the oil futures curve, so the pace of distillates demand and their stock levels could be the key determinant for the oil price changes through the next two years, Reuters market analyst John Kemp writes.”

“Demand for middle distillates is expected to surge ahead of an upcoming stricter regulation on the fuels used by the shipping industry. The International Maritime Organization (IMO) has set January 1, 2020, as the starting date from which only low-sulfur fuel oil will be allowed to be used for ships. The severe restrictions on fuel oil's sulfur content—aimed at reducing emissions—will drive increased

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demand for middle distillates such as diesel and marine gasoil, which in turn will push up demand for crude oil, Morgan Stanley analysts say. This would boost crude oil demand by additional 1.5 million bpd, potentially sending oil prices to \$90 a barrel in 2020, according to Morgan Stanley.”

August 4, 2018

Isaac Anyaogu, Business Day

[Sulphur cap regulation to squeeze Nigerian shippers by N1.8trn](#)

“The new International Maritime Organisation (IMO) decision to lower its global marine fuel sulphur limit to 0.5 percent in 2020 could cost Nigerian shipping companies over N1.8trillion in installation costs for exhaust gas abatement systems, an option which seems the most practical to ensure compliance.”

August 2, 2018

Jack Wittels, Alfred Cang, Bloomberg

[Oil Industry Starts Eradicating Ship Fuel Supply Before IMO 2020](#)

“Shippers beware: oil refineries are starting to eradicate stockpiles of sulfur-rich fuel that powers the merchant fleet in anticipation of a demand collapse in fewer than 18 months.”

“Stockpiles have slumped in the U.S. and Singapore this year and traders directly involved in buying and selling the fuel say some refineries already started to trim output in anticipation of rules that will severely restrict consumption from Jan. 1, 2020.”

Petroleum Intelligence Weekly

IMO may have to consider contingency plans to deal with shortages

“The International Maritime Organization (IMO) may have to consider contingency plans to deal with possible shortages when tighter rules on the sulfur content of bunker fuels come into effect in 2020 (PIW Jul.16’18). If there is not enough 0.5% low-sulfur fuel oil (LSFO) or other compliant fuel available come Jan. 1, 2020, the fear is some ports might not be able to bunker ships, whose owners will then want to demand a waiver allowing them to fill their tanks with high-sulfur, noncompliant fuel and sail to their next destination.”

August 1, 2018

Firat Kayakiran, Bloomberg

[Oil Tanker Owners Are Scrapping the Most Ships in Decades](#)

“Tanker demolition could hit multi-decade high.” “Morgan Stanley anticipates shortage of supertankers by 2020.” “Incoming regulations are raising costs for all shipowners making high scrap price relatively more attractive.”

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July 30, 2018

Oil & Gas Journal

[IMO 2020 Solutions](#)

“To one of its biggest problems in decades, the refining industry might find solutions in its scrapyard. Strategically restarting idle capacity can help keep ships at sea as standards tighten for sulfur in bunker fuel.” The International Energy Agency is one that sees this approach as “a supply buffer that at least might ease the transition.”

Argus Media

[Scrubber count insufficient to take up excess HSFO](#)

While scrubber installation planning has surged over the last half year, “the scrubber count is still insufficient to absorb a projected surplus in high-sulfur residual fuel oil in 2020.”

July 26, 2018

Argus Media

[Repsol to stop selling its Spanish fuel oil in 2020](#)

This article notes that the Spanish integrated oil and gas company Repsol “is planning to stop selling the fuel oil produced at its Spanish refineries from 2020.” Repsol has a large coking capacity and “estimates it can improve its refining margins by a conservative \$1.50 per barrel in 2020. Repsol’s cokers account for twenty-five percent of total European coking capacity. The firm can use this capacity to turn fuel oil and other heavier products into higher margin middle distillates and gasoline.

July 24, 2018

Ship & Bunker

[IMO 2020: Expect Bunker Price Spike, Economic Collapse, and a Global Review of the New Regs, says Verleger](#)

This article, referencing Dr. Verleger’s \$200 crude paper, notes that “there has been a growing sense of panic over what the new rule will mean” and that “there was no greater evidence than this week in a new report by respected analyst Philip K. Verleger, who predicts the new global 0.50% sulfur cap for marine fuel could trigger nothing short of an economic collapse.”

July 22, 2018

Esther Ng, S&P Global Platts

[ISO working with oil and engine makers to get fuels](#)

The International Organization for Standardization publishes fuel standards for the marine bunker market “to ensure that the chemical properties of the fuels used conform to a set of standards so that the fuel works properly.” Off-spec fuel can result in sludges that block filters and centrifuges and ultimately cause engine failure. Ng notes that the next set of ISO bunker fuel specifications, ISO 8217,

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will likely not be published before 2022, long after the IMO's marine fuel sulfur content rule takes effect. She notes also that "a wide range of blends of refined products will be used to make the new [low-sulfur] fuels, and the stability and compatibility of these blends will be important concerns for marine engineers on how these fuels affect their vessel's performance." In response to concerns, the ISO has stated that its existing standards "cover 2020 0.5% sulfur fuel in the same way as they cover today's fuels including the 0.1% sulfur fuels." Concerns abide, however, because these blends are "expected to vary widely across the regions" and that "compatibility between different fuels cannot be guaranteed by bunker suppliers." That puts the responsibility for obtaining fuel of the necessary blend and quality "on the competency of [each] crew to manage this."

July 21, 2018

S&P Global Platts (via Hellenic Shipping News)

[Beijing relaxes fuel oil blending controls to boost bunker prospects, exports](#)

China is now allowing companies in Zhejiang province to blend tax-free fuel oil for export to the seaborne market. Industry sources told Platts that "the relaxation of the export restriction will encourage more fuel oil trade flows from China for bunkering." "It will also position the country advantageously as a key supplier of blended fuels ahead of the International Maritime Organization's global sulfur limit rule for marine fuels."

July 19, 2018

Alex Longley and Irene Garcia Perez, Bloomberg

[Death of Fuel Oil Exaggerated as Ships Fit Scrubbers](#)

The authors report that, while the demand for sulfur-heavy residual fuel oil is expected to drop sharply in 2020, some think, due to surging orders for scrubber installations, "that the fuel oil market may have overshot." As the subtitle for one graphic puts it, "Scrubber orders may cushion demise of polluting fuel oil."

July 16, 2018

Petroleum Intelligence Weekly

Oil Market Seeks Solutions for IMO Sulfur Rules

"New rules from the International Maritime Organization (IMO) on the sulfur content in marine bunker fuel have created an unprecedented challenge for the global oil market, threatening to leave refiners with 2 million barrels per day of unmarketable fuel oil, and shippers short some 2 million b/d of legally compliant fuel. Although both groups have begun making moves to adapt to this new reality, with just 18 months to go until the new rules come into effect, they do not appear to be doing enough — raising the prospect of a major dislocation in product supply and pricing."

July 11, 2018

Dan Ronan, Transport Topics

[Will Trucking Be Affected by New Pollution Rules for Ocean Shipping?](#)

Ronan notes the US EPA's intention to review the IMO 2020 rule's impact on the US transportation industry. The agency "is holding a workshop to gather feedback from truckers, shipping companies and railroads about the regulations and how they impact their businesses." Ronan quotes Tom Kloza of OPIS as expecting "the price of diesel to range from \$3.60 to \$4.25 a gallon" as a result of IMO 2020 and that "truck drivers likely will see the biggest increases along both [US] coasts."

July 2, 2018

Ken Cowell, Tim Bennett, *Oil & Gas Journal*

[IMO 2020 rules challenge European, Russian refiners](#)

The authors note that, when the IMO 2020 sulfur rule takes effect, Russian and European refiners will have "large surpluses of HSFO [high-sulfur fuel oil] that need to be placed elsewhere in the market." If they fail in this, "their future economic viability will become questionable." They also note that shipping now consumes forty-seven percent of heavy fuel oil (HFO) production and that the marine market for HFO will largely cease to exist after January 1, 2020.

June 29, 2018

Ship & Bunker World News

[Shippers' End Customers Have "Pull Effect" for IMO 2020 Compliance Agenda: Monjasa](#)

The COO of bunker supplier Monjasa has stated that "there will be a high level of compliance with the upcoming IMO 2020 rule because Shippers' customers will demand it." COO Svend Molholt asserted that "these customers [e.g., Walmart, Ikea, Nike] will need to demonstrate their whole supply chain is compliant with global rules and regulations, and carrier compliance will be an important part of that." If they fail in this, the firms may find it difficult to obtain financing and other investment. End customers will push for carrier compliance, he continued, to avoid being put "at a commercial disadvantage in the short and medium term."

June 28, 2018

The Motorship

["Major Risks Remain" as Sulfur Cap Nears, Study Finds](#)

An updated study by EnSys Energy and Navigistics Consulting notes that "demand for low-sulfur fuel will be higher than anticipated due to low uptake of scrubbers and limited availability of low-sulfur fuels." EnSys foresees a "scramble" for light sweet crudes by less-complex refineries that could drive distillate prices above US\$1,000 per tonne and US gasoline prices above \$5 per gallon in 2020. Martin Tallett, president of EnSys, warns that "the increase in product 'supply costs' could take between US\$500 billion and US\$2 trillion out of the global economy for the year."

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June 18, 2018

Conglin Xu, *Oil & Gas Journal*

[IMO 2020: The next big thing](#)

Xu notes that while CE Delft studies assert that the oil sector will be able to meet the projected increase in distillate demand, a “rival study” by EnSys and Navigistics came to the opposite conclusion, “estimating that 60-75% of additional sulfur plant capacity would need to be built by 2020 compared with planned projects.” HIS Markit, on the other hand, believes the refining capacity will exist but that “higher overall crude runs will be required.”

Esther Ng, S&P Global Platts

[Shipping associations urge pragmatic approach to IMO 2020 sulfur compliance](#)

Platts reports that five shipping associations have asked the IMO to “adopt a pragmatic approach when enforcing compliance with its global sulfur cap of 0.5% in marine fuels to avoid compromising safety or unfairly penalizing individual ships.” The shippers mention the complexity of the transition and the absence of a global standard for the new blended fuels coming from many different refiners as reasons for the IMO to be pragmatic “during the initial months of the global switchover.”

May 18, 2018

Surabhi Sahu, Jack Jordan, S&P Global Platts

[Interview: IMO head says “no possibility of delay” to sulfur limit rule for marine fuels](#)

When asked whether implementation of the IMO’s 0.5-percent sulfur rule might be possible if serious problems arise, the organization’s Secretary General, Kitack Lim, replied that “the regulation...cannot be changed from a legal perspective, so there is no possibility of delay.” He also stated that guidelines “on preparatory and transitional issues” will be forthcoming from the Sub-Committee on Pollution Prevention and Response, which is meeting in July to develop these guidelines.

IMO 2020 Watch™

May 17, 2018

Libby George, Ahmad Ghaddar, Reuters

[New rules on ship emissions herald sea change for oil market](#)

This report details how “new rules coming into force from 2020 to curb pollution produced by the world’s ships are worrying everyone from OPEC oil producers to bunker fuel sellers and shipping companies.” The worry comes from energy and shipping companies being “ill-prepared.” One outcome from this circumstances, says one economist, “will be a bidding war for sweet crude.” This could “hike the price of sweeter crudes” while the expense of refining higher-sulfur crude could “be more than its value.”

May 16, 2018

Alex Longley, Bloomberg

[Morgan Stanley Says a Shipping Revolution Has Oil Headed for \\$90](#)

A report issued by Morgan Stanley analysts asserts that “Brent crude will reach \$90 a barrel by 2020 as new international shipping regulations take effect.” MS expects refiners that are “highly geared towards middle distillates” to benefit most from this situation. These include Repsol, Valero, and Tupras. The report also notes that middle distillates needed to meet the IMO’s 0.5-percent sulfur rule for marine fuels “are already showing signs of tightness.” Specifically, diesel and gasoil stockpiles in Europe, the US, and Asia are below their five-year seasonal averages and demand has been increasing at an annual rate of eight hundred thousand barrels per day “in recent quarters.”

May 8, 2018

Splash247.com

[Industry divided on low sulfur fuel availability in 2020](#)

According to MarPoll, a quarterly survey, “46% of *Splash* readers believe there will not be enough low sulfur fuel come January 1, 2020, when the new IMO regulations kick in, with a slim majority, 54%, believing there will be enough to go around.” One respondent commented that supply constraints would likely surface as early as the fourth quarter of 2019 and that the price of MGO [marine gasoil] could double or even triple until the market stabilizes.

Mike Corkhill, LNG Shipping

[Big boys join the LNG-fueled fleet](#)

Corkhill reports that “the global fleet of in-service and on-order LNG-fueled vessels has grown 26.5% since *LNG World Shipping’s* previous review of the use of LNG as marine fuel 12 months ago.” This marks an 18% increase for in-service vessels and a 36% bump in orders for LNG ships. Still, due to LNG cost issues for ships, Corkhill notes “it has been estimated that LNG fuel is unlikely to be chosen for more than 5% of the world fleet of merchant vessels, with interest limited primarily to newbuildings.”

IMO 2020 Watch™

April 26, 2018

Ship & Bunker

[Maersk's Skou: 0.5% Rule to Cost Shipping \\$60 Billion](#)

Maersk CEO Soren Skou says the IMO sulfur ban “represents a ‘heavy burden’ on the shipping industry.” He expects Maersk will pay \$10 billion for fuel once the rule takes effect in 2020. In his view, the rule “could add \$50-\$60 billion to the shipping industry’s annual fuel bill.”

April 24, 2018

Argus Media

[Marpol sulfur cap will widen sweet, sour spreads](#)

Argus notes that the IMO sulfur rules “will dramatically boost the premium that sweet crude and refined products carry versus their heavier, more sour counterparts.” Discounts for heavy sour crudes exceeding 3% sulfur to Dated Brent are expected to be as wide as \$30 per barrel in 2020.

April 20, 2018

Ahmad Ghaddar and Libby George, Reuters

[INTERVIEW-Sulfur scrubbers “no silver bullet” for shipping industry-Wartsila](#)

According to a spokesperson for Wartsila Marine Solutions, a manufacturer and installer of marine scrubbers that strip sulfur from high-sulfur fuel oil, “shipping industry hopes that so-called sulfur scrubbers are a quick-fix solution to compliance with drastic emissions reduction demanded by 2020 are somewhat misguided.”

April 19, 2018

S&P Global Platts

[Feature: Future of scrubbers still shrouded by dark clouds ahead of IMO 2020 rule](#)

“Scrubbers will not save us in 2020.” So says the head of the Baltic and International Maritime Council (BIMCO). Platts notes that fewer than 1,100 ships will have scrubbers by 2020 and that the stringent carbon emissions rules and pricing economics will likely “impede widespread adoption.”

April 13, 2018

Reuters

[IMO moves forward with ban on vessels carrying high-sulfur fuels](#)

On April 13, the IMO approved “an amendment that would ban ships unequipped to strip sulfur from carrying high-sulfur fuel from 2020” unless the fuel is cargo and not being burned for propulsion. This approval is the organization’s second-to-last step in formalizing its ban on carrying fuel oil. The amendment still needs to be formally adopted at the IMO meeting in October.

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April 12, 2018

S&P Global Platts

[Feature: Technical issues loom over VLSFO bunker fuel in 2020](#)

Shipowners may be challenged by the lack of a standard very-low-sulfur fuel oil when the IMO's global sulfur cap comes into force. Problems may include fuel compatibility issues, rising insurance premiums because of the risk of engine damage, and no ISO spec becoming available until late 2019. Owners are concerned about fuel stability and compatibility. If a fuel separates over time and under particular conditions or when mixed with another fuel, sludge can form at the bottom of a bunker tank that can block filters and lead to engine failure.

April 12, 2018

Jack Jordan, S&P Global Platts

[Fuel oil forward curve not fully pricing in 2020 IMO impact: Platts Analytics](#)

Jordan reports that the forward market is "not adequately reflecting sharp changes in fuel oil and middle distillate prices expected in 2020." According to a Platts Analytics spokesperson, "This is going to be the most disruptive change to hit the refining industry in history." The current forward curve for high-sulfur fuel oil shows the discount to Brent widening to \$20.50 per barrel in 2020. But Platts' analysis finds that "oil traders should expect a more pronounced price collapse than that in 2020." "The market has not appreciated yet the degree and scope of these changes," said another expert from Platts Analytics.

April 11, 2018

Libby George, Reuters

[Shipping fuel costs to spike 25 percent in 2020 on sulfuric cap: WoodMac](#)

George notes that consultants Wood Mackenzie believe "global shipping costs are likely to rise by a quarter, or \$24 billion, in 2020 when new rules limiting sulfur kick in." Given the expense of switching to marine gasoil (MGO), the WoodMac analysts also expect shipping costs to rise around \$1 per barrel. They also think that just two percent of the world's cargo fleet will have scrubbers by 2020. Last, they noted that "the world's refiners need to gear up to churn out the lower sulfur fuels that vessels will need, and even the primary spots for refueling ships could shift based on where lower sulfur fuels are available." China could be one of the countries to benefit in this respect.

April 10, 2018

Chris Dupin, American Shipper

[Hyundai Merchant Marine ordering 20 ships](#)

Dupin reports that Hyundai will order 20 "eco-friendly" mega containerships. Hyundai says the new ships "will have scrubbers or use liquefied natural gas (LNG)."

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April 10, 2018

Surabhi Sahu, S&P Global Platts

[Compliance to the IMO 2020 rule to be “quite high” post-2020 despite concerns: MECL MD](#)

According to Platts, Robin Meech, Managing Director of Marine and Energy Consulting Limited, believes compliance with the global sulfur cap rule will “settle around 85%-90% in the initial years after 2020.” Meech describes the bunker industry as “resilient,” and he expects it to adapt to the change. He thinks “global bunker fuel demand will be a little over 300 million mt in 2020, with the majority to be met by 0.1%-0.5% sulfur bunker fuel oil.” Among other encouragements for compliance, Meech cited “shipper pressure, increased public awareness, growing enforcement, and imposing larger fines and penalties.”

April 9, 2018

Ship&Bunker

[Drewry IMO2020 Survey: Only 66% of Shipowners Believe 0.50% Sulfur Cap Will Be Enforced as Planned from 2020](#)

According to the Drewry survey, “one third of shipowners responding...indicated they are still not convinced a global 0.50% sulfur cap on marine fuel will come into effect as planned from January 1, 2020.” Also, one-quarter of the total respondents “thought the regulation would need to be extended due to lack of readiness.” The article notes that Saudi Arabia and others are “still pushing...for a formal delay to the start of the new cap.”

April 5, 2018

Reuters Staff

[Norway targets IMO to halve global shipping emissions by 2050](#)

Norway’s government and shipowners’ association are calling on the IMO to cut greenhouse gas emissions in half by 2050. Norway ships, among other goods, offshore, gas, chemicals, car vessels, dry bulk, crude, crude products, and containers. Norway’s trade minister told reporters at a news conference that “we need international rules...our base line is the same as the Norwegian Shipowners (to cut emissions by 50 percent towards 2050).” A spokesperson for the association said its vision is to have shipping be emissions free in 2100.

April 4, 2018

The Load Star

[Survey – shipowners shun scrubbers in advance of 2020 low-sulfur rules](#)

A survey of shipowners by the independent marine research firm Drewry found that “two thirds are preparing to bunker their ships with more expensive low-sulfur fuel oil (LSFO) when the IMO’s 0.5% sulfur cap is introduced in January 2020.” Respondents cited the exorbitant cost of fitting scrubbers—\$5 to \$10 million—but also concerns that scrubber may be outlawed at some point. As another factor, the article cited the shipowners’ belief “that the higher fuel costs – at around \$600 per tonne, LFSO is some

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60% more expensive than existing heavy fuel oil (HFO) – are the ‘charterers’ problem’ since fuel costs are usually for their account.”

April 4, 2018

Ship&Bunker

[Attractive Time to Secure Bunker Saving Tonnage Ready for IMO2020: Torm](#)

Torm advises that the time is right to “secure bunker saving vessels ahead of 2020 when the global sulfur cap on marine fuels falls to 0.5%.” Ship&Bunker calculates that the premium for marine gasoil (MGO) over IFO380 is now 70% but some expect the spread to widen considerably by 2020. “With the majority of vessels expected to switch to distillate bunkers to comply with the new cap, operators are expected to see a considerable increase in their bunker bills once the new rule comes into effect.

April 4, 2018

Ship&Bunker

[IBIA Releases Bunker Suppliers’ Best Practice Guide](#)

The International Bunker Industry Association (IBIA) has released the first edition of a bunker suppliers’ best-practice guide. The guide covers areas such as quality control; cargo transport, storage, and transfer; delivery to ship; and representative sampling. The guide’s purpose is “to ensure the quality of bunkers delivered to ships meets the agreed purchase specifications and applicable global and local regulations.”

April 4, 2018

Hellenic Shipping News

[Dubai trader plans Fujairah fuel oil treatment, storage capacity to cope with IMO 2020 rules](#)

HSN reports that Dubai-based Wealth Energy will build a 360,000-cubic-meter fuel storage and treatment facility at the port of Fujairah. The firm plans to build 12 to 15 storage tanks. The treatment facility will handle up to 12,000 barrels per day of fuel to reduce sulfur content. The facility is slated for completion at the end of 2019 or the second quarter of 2020.

HSN also notes that “several companies have planned to invest in new storage facilities ahead of the IMO’s 0.5% global sulfur cap for marine fuels. It is expected to spur demand for bulk storage for liquids, particularly for blending activity, industry sources said.”