

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Bunker prices in the Americas have tracked Brent values declines again, and operations suspended in Zona Comun due to rough weather.

Changes on the day from Friday to 08.00 CDT (13.00 GMT) today:

- **VLSFO prices unchanged in Balboa, and down in Houston (\$14/mt) and New York (\$6/mt)**
- **LSMGO prices down in Houston (\$23/mt), Balboa (\$16/mt) and New York (\$2/mt)**
- **HSFO prices down in Balboa (\$7/mt), Houston (\$5/mt) and New York (\$1/mt)**

Houston's LSMGO price has dropped the most in the past day. One lower priced 150-500 mt stem with prompt delivery fixed today has contributed to drag the port's benchmark lower. Its discount to New York's LSMGO has widened from \$7/mt yesterday, to \$28/mt now.

Similarly, Houston's VLSFO has slipped \$14/mt under pressure from two lower-priced 500-1500 mt stems with prompt delivery.

Houston bunker demand has improved in the past week. Several suppliers are fully booked for the prompt dates in the region. However, securing stems for prompt dates can still be possible, a source says.

Bunker deliveries are currently underway in the Galveston Offshore Lightering Area (GOLA). But high winds and rough seas are expected to keep disrupting bunker deliveries until next week. Stems can be delivered in windows of calmer weather, a source says.

Bunker operations have been suspended by unfavourable weather conditions in in Argentina's Zona Comun. The anchorage is currently experiencing gale-force wind gusts of up to 42 knots. It is expected to resume operations from tomorrow onwards amid calmer weather.

Brent

Front-month ICE Brent has declined further by \$0.92/bbl on the day, to \$83.39/bbl at 08.00 CDT (13.00 GMT) today.

Upward pressure:

The market is seeing signs of a demand recovery from China.

China reported a gross domestic product (GDP) growth of 4.5% in the first quarter of this year. The data was above market expectations, says Phil Flynn, senior account executive at The Price Futures Group.

Also, China's oil refinery throughput surged to a record 14.9 million b/d in March, which indicates "robust oil demand" from the world's biggest oil importer, Phil adds.

US crude inventories have declined by 2.7 million bbls in the week ending 14 April, according to an American Petroleum Institute (API) estimate. The official US Energy Information Administration's weekly data is scheduled for release today.

BP PLC's chief economist Spencer Dale has told Reuters that the global oil market is expected to tighten in the second half of this year due to the OPEC+'s decision to cut oil production.

Downward pressure:

The US Federal Reserve is expected to continue raising its benchmark interest rate, which could keep Brent futures under pressure.

In separate comments, Atlanta Federal Reserve President Raphael Bostic and St. Louis Federal Reserve President James Bullard have alluded to a further 25 basis point interest rate hike by the US central bank.

Iraq's official state news agency has confirmed that Kurdish authorities met with Iraqi ministers to discuss the oil agreement between the two regions. The agreement will pave the way for up to 450,000 b/d of crude oil to be exported from Iraq's Kurdistan-operated northern oil fields to Turkey.

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