

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Most bunker prices in the Americas have come down with Brent, and bunker operations remain suspended in GOLA.

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

- **VLSFO prices unchanged in Houston, and down in New York (\$13/mt), Balboa (\$12/mt), Zona Comun and Los Angeles (\$1/mt)**
- **LSMGO prices up in Houston and Balboa (\$4/mt), and down in New York (\$20/mt), Zona Comun (\$3/mt) and Los Angeles (\$2/mt)**
- **HSFO prices up in Balboa (\$4/mt), and down in New York (\$11/mt), Houston (\$7/mt) and Los Angeles (\$1/mt)**

Houston's LSMGO ran counter to the general market direction by gaining on the day. One 50-150 mt higher-priced LSMGO stem contributed to keeping the port's benchmark elevated.

This week and last, Houston has seen equal number of stems fixed. 16 stems have been recorded by ENGINE since Monday. Out of the 16 stems, eight stems have been fixed for LSMGO and eight for VLSFO.

Bunker operation remains suspended in the Galveston Offshore Lightering Area (GOLA) due to strong wind gusts. Bunkering is expected to remain suspended until next week. Some suppliers can supply stems for dates in the first or second week of May.

Zona Comun continues to offer VLSFO at unusually competitive levels to regional bunker hubs. But despite the cheapest rate, demand has been low in the anchorage for the past few months

Brent

The front-month ICE Brent contract has declined by \$0.50/bbl on the day, to \$81.41/bbl at 08.00 CDT (13.00 GMT) today.

Upward pressure:

As domestic demand improves in the world's largest oil consumer, China could trim export quotas for refined oil products in a second batch for 2023, according to Reuters market research. This could support Brent's price.

The Iraqi and Kurdish governments are yet to reach an agreement on oil supplies from Kurdish oil fields in northern Iraq. The stalemate between the two authorities has kept around 450,000 b/d of supply away from the market.

Downward pressure:

"Almost four months into 2023, the mood across oil markets anecdotally is one of trepidation and persistent caution regarding both US growth and global inflation risks," SPI Asset Management's managing partner Stephen Innes says in a note.

He adds that oil bulls are leaving the market possibly because of weaker economic growth expectations and potential hike in interest rates by central banks in major economies.

Innes also stresses that China's economic recovery is not "spilling over" to oil demand, heightening uncertainty in the market.

South Sudan's oil production remains uninterrupted despite the internal conflict in Sudan, Bloomberg reports citing South Sudan's oil minister Puot Kang Chol. The export marine terminal in Sudan has not been damaged and oil "production has been steady at 169,141 b/d," the report quoted Chol as saying. The Republic of South Sudan is a member of the OPEC+, which is an extended group of OPEC-allied oil producers.

By Debarati Bhattacharjee and Konica Bhatt

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