

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

25/04/23

Bunker benchmarks in the Americas have moved in mixed directions, and rough weather has kept bunkering suspended in GOLA.

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

- **VLSFO prices up in Balboa (\$15/mt), Los Angeles and Zona Comun (\$7/mt), and down in Houston (\$6/mt) and New York (\$5/mt)**
- **LSMGO prices up in Balboa (\$18/mt), Zona Comun (\$13/mt) and Los Angeles (\$9/mt), and down in New York (\$36/mt) and Houston (\$12/mt)**

HSFO prices up in Houston (\$12/mt), Balboa (\$10/mt), Los Angeles (\$7/mt) and New York (\$5/mt)

Balboa's LSMGO price has made the steepest gains in the past day, while Houston's LSMGO price has declined amid downward price pressure from a lower-priced stem today. The diverging price moves have widened Balboa's LSMGO premium over Houston's from \$49/mt in the past day, to \$79/mt now.

Bunker fuel availability is said to be normal in Balboa and Cristobal. One supplier can supply VLSFO and LSMGO stems for very prompt dates (0-2 days) in Balboa, while HSFO supply requires at least 3-4 days of lead time.

Bunkering is currently suspended in the Galveston Offshore Lightering Area (GOLA) due to high winds.

Recent weather-triggered suspensions have forced some suppliers in GOLA to hold back deliveries. As a result, securing VLSFO and LSMGO for prompt delivery dates in GOLA can be difficult. One supplier is hesitant to supply prompt stems as it works to clear previous weather backlogs, a source says. The supplier can deliver stems from 28 April, but is unable to guarantee it.

Wind gusts of 19-36 knots are forecast until Thursday in GOLA, which could lead to intermittent suspensions and more bunker congestion build.

Brent

The front-month ICE Brent contract has increased by \$0.47/bbl, to \$81.76/bbl at 08.00 CDT (13.00 GMT) today.

Upward pressure:

Brent has regained its footing with attention shifting from macroeconomic concerns to oil supply-demand dynamics.

Supply shortage worries have been exacerbated by Iraq sparking a supply crunch, by OPEC and Russia's forthcoming production cuts, and by an expected rise in Chinese fuel demand during the upcoming five-day Golden Week holidays.

The Kurdish and Iraqi governments have been at odds over oil exports from northern Iraq for the past month, and four sources have told Reuters that there are "few concrete signs" that the 450,000 b/d of Kurdish supply will resume any time soon.

According to Bloomberg, European refineries have been experiencing crude oil input shortages since Iraq halted supplies of Kurdish crude. Since Russia invaded Ukraine last year, European refiners have turned more to Iraqi crude after to replace Russian product. The two countries' crude grades have similar densities and sulphur contents.

"Earlier today, a couple of tankers gave up after waiting almost a month for Iraqi Kurdish oil," OANDA analyst Ed Moya wrote in a note published on Monday. "This is a reminder that the oil market is going to remain sensitive to replacing the sour crude it was getting from Russia. Not all crude grades are equal and can easily replace each other," Moya added.

Downward pressure:

Both the US Federal Reserve and the European Central Bank (ECB) are expected to raise their key interest rates at policy meetings next week. Investors are wary of central bankers' comments on interest rates and hike signals can contribute to keep Brent in check.

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