

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Most bunker prices in the Americas have again declined, and prompt VLSFO supply tight in the Houston area.

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

- **VLSFO prices up in Houston (\$7/mt), and down in Los Angeles (\$14/mt), Balboa (\$13/mt), New York (\$12/mt) and Zona Comun (\$1/mt)**
- **LSMGO prices down in Zona Comun (\$31/mt), Balboa (\$27/mt), New York (\$19/mt), Los Angeles (\$18/mt) and Houston (\$9/mt)**

HSFO prices down in New York (\$15/mt), Los Angeles (\$14/mt), Balboa (\$13/mt) and Houston (\$12/mt)

Bunker benchmarks in the Americas have again tracked declining front-month Brent futures. But Houston's VLSFO has moved counter to the general market direction by gaining on the day. Prompt VLSFO availability is tight in Houston and supply of the product is subject to enquiry now, a source says.

Higher-priced indications in the past day have added more upward pressure to Houston's VLSFO benchmark. The expected arrival of replenishment cargo in the coming days should boost VLSFO supply in Houston, a source says.

Zona Comun's LSMGO price has declined by \$31/mt – the steepest daily drop among the region's key ports. Product availability is normal in Zona Comun. The earliest delivery date for VLSFO and LSMGO with a supplier is about five days, while another supplier requires six days of lead time.

VLSFO availability is good in Brazil's Santos port. One supplier is able to supply stems for prompt dates.

Prompt availability of VLSFO and LSMGO is normal in Colombia's Santa Marta. In Buenaventura, one supplier can supply LSMGO stems through trucks, but requires at least seven days of lead time.

Brent

The front-month ICE Brent contract has plunged \$2.11/bbl lower, to \$77.89/bbl at 08.00 CDT (13.00 GMT) today.

Upward pressure:

The market is banking on a recovery in Chinese oil demand during the Golden Week holidays, when tens of millions travel for family reunions. This is expected to push crude prices higher.

A sharp rise in demand and OPEC+ production cuts will further tighten oil supplies, which are already constrained by the standoff between Iraq and Kurdistan and by lower US crude inventories.

Commercial US crude inventories declined by 5.05 million bbls on the week, to 460.91 million bbls as of 21 April, according to official weekly figures from the US Energy Information Administration (EIA). The draw was marginally below the 6.1 million-bbl draw estimated by the American Petroleum Institute (API), but far exceeds the 1.5 million-bbl drop predicted in a Reuters' poll of analysts.

Downward pressure:

Fears that a banking crisis could flare up amid a looming recession in the US forced Brent prices to tumble to a one-month low, below the crucial \$80/bbl mark.

OANDA's senior market analyst Ed Moya has ruled out \$100/bbl level for Brent in the near future as he believes "China's recovery is not materialising, and US demand is weaker."

Brent is also holding its breath in light of multiple central bank policy meetings next week.

The US Federal Reserve and the European Central Bank (ECB) are expected to signal a pause in interest rate hikes when they meet next week. However, investors are worried that any further increase will harm economies already battling macroeconomic headwinds.

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