



## **ENGINE: East of Suez Physical Bunker Market Update**

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### **East of Suez Market Update**

VLSFO and HSFO prices have moved north across East of Suez ports, and OPL bunkering has resumed in Zhoushan this morning after being suspended yesterday.

Changes on the day to 17.00 SGT (09.00 GMT) today:

**VLSFO prices up in Singapore (\$8/mt), Fujairah (\$4/mt) and Zhoushan (\$2/mt)**

**LSMGO prices up in Fujairah (\$18/mt), and down in Singapore (\$10/mt) and Zhoushan (\$1/mt)**

**HSFO prices up in Zhoushan (\$17/mt), Fujairah (\$9/mt) and Singapore (\$6/mt)**

Bunkering resumed at Zhoushan's Tiaozhoumen and Xiazhimen anchorages this morning after being suspended by strong winds yesterday, a source says. All four anchorages in Zhoushan are operational now.

Prompt availability of VLSFO has tightened in Zhoushan as replenishment cargoes have been delayed, a source says. Lead times for VLSFO have increased from 3-5 days previously to around seven days now. HSFO stems also need seven days – almost unchanged from the previous week. However, suppliers can offer LSMGO for prompt dates.

Despite Zhoushan's modest VLSFO price gain in the past day, the Chinese bunkering hub's VLSFO premiums over Fujairah and Singapore stand at \$15/mt and \$8/mt, respectively.

However, strong wind gusts between 20-29 knots are forecast intermittently throughout

## **Brent**

Front-month ICE Brent has gained by \$1.55/bbl on the day, to \$87.26/bbl at 17.00 SGT (09.00 GMT).

### **Upward pressure:**

The US Energy Information Administration (EIA) has forecast the Brent spot price to average \$85/bbl this year - an upward revision of \$3/bbl from its March outlook. It has explained that the additional oil production cuts announced by OPEC and its allies, including Russia, will tighten the oil market this year and drive Brent's spot price higher.

The EIA has also lowered its global liquid fuel production forecast for this year by 300,000 b/d from its March forecast.

Bearish short positions in the Brent futures contract have fallen to their lowest levels since late January, according to Reuters analyst John Kemp. This is after major OPEC+ members announced oil production cuts starting in May, says Kemp.

"Investors bought petroleum futures and options at the fastest rate for more than three years after Saudi Arabia and other OPEC+ producer group members announced voluntary cuts in oil output," Kemp has written in a Reuters column.

### **Downward pressure:**

Commercial US crude inventories grew by 597,000 bbls on the week, to 475.55 million bbls on 7 April, according to official weekly figures from the EIA. The weekly stock build has surpassed the 377,000-bbl build estimated by the American Petroleum Institute (API) on Tuesday.

The International Monetary Fund has downgraded this year's global GDP outlook citing macroeconomic uncertainties caused by the "financial sector turmoil, high inflation, ongoing effects of Russia's invasion of Ukraine, and three years of COVID."

The US Federal Reserve (Fed) released the minutes of its Federal Open Market Committee

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