



## ENGINE: East of Suez Physical Bunker Market Update

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### East of Suez Market Update

Prices across East of Suez ports have come down with Brent, and OPL bunkering remains suspended by bad weather in Zhoushan since Sunday.

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

changes on the day to 17.00 USD (69.00 USD/MT) today.

- **VLSFO prices down in Fujairah and Singapore (\$10/mt), and Zhoushan (\$5/mt)**
- **LSMGO prices down in Fujairah (\$13/mt), and Zhoushan and Singapore (\$11/mt)**
- **HSFO prices down in Singapore (\$7/mt), Zhoushan (\$6/mt) and Fujairah (\$2/mt)**

Bunker deliveries have been suspended by rough weather at Zhoushan's Tiaozhoumen and Xiazhimen anchorages since Sunday, a source says.

Meanwhile, bunker operations have been running smoothly at Zhoushan's slightly more sheltered Xiushandong anchorage and at the port's inner anchorage of Mazhi since Tuesday noon. Bunkering is likely to resume fully from tomorrow noon, when calmer weather is forecast.

Availability of all bunker fuel grades has improved in Zhoushan amid sluggish demand, a source says. Recommended lead times for VLSFO and HSFO have now come down to 3-5 days from 5-7 days earlier. LSMGO stems require lead times of around 3-5 days.

Despite a drop in Zhoushan's VLSFO price, the port's premiums over Fujairah and Singapore stand at \$17/mt and \$10/mt, respectively.

Meanwhile, prompt availability has tightened across all grades in South Korea. Lead times of 3-7 days are recommended for all grades in southern South Korean ports, while longer lead times of 5-10 days are advised in western South Korean ports.

Adverse weather conditions are forecast in the South Korean ports of Ulsan, Onsan, Daesan, Taean and Yeosu between 21-25 April, which could trigger intermittent suspensions or disrupt deliveries.

## **Brent**

The front-month ICE Brent contract dropped \$1.43/bbl on the day, to \$81.67/bbl at 17.00 SGT (09.00 GMT).

### **Upward pressure:**

A greater-than-expected draw in US commercial crude inventories and worries surrounding supply tightening prevented Brent's price from plummeting lower.

US commercial crude inventories declined by 4.58 million bbls on the week, to 465.97 million bbls on 14 April, according to US Energy Information Administration (EIA) data. The weekly draw exceeded the 2.68-million-bbl increase estimated by the American Petroleum Institute (API).

Meanwhile, the International Energy Agency (IEA) has estimated that global crude demand will hit record levels this year. However, there are concerns that rising demand will outpace the growth in production, leading to a tighter oil market.

### **Downward pressure:**

The US Federal Reserve's Beige Book economic report has signalled an economic slowdown in the US. Demand jitters triggered by a looming recession in the US have kept Brent's price in the red.

The Fed's Beige Book observes that tighter credit conditions have made it difficult for businesses to borrow money, particularly after the collapse of the Silicon Valley Bank (SVB). The report also shows that the labour market is tightening across the US. These factors can contribute to an economic downturn and increase the risk of a recession, it adds.

*By Tuhin Roy and Konica Bhatt*

*Please get in touch with comments or additional info to [news@engine.online](mailto:news@engine.online)*

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