
# ENGINE: East of Suez Physical Bunker Market Update

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**East of Suez Market Update**

Prices have moved south across major Asian hubs, and bunkering in Zhoushan's OPL remains suspended by rough weather since Sunday.

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

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- **VLSFO prices down in Singapore ($9/mt), Fujairah ($7/mt) and Zhoushan ($6/mt)**
- **LSMGO prices down in Zhoushan ($13/mt), Singapore ($11/mt) and Fujairah ($4/mt)**
- **HSFO prices down in Fujairah ($13/mt), Singapore ($8/mt) and Zhoushan ($4/mt)**

Benchmarks across East of Suez ports have come down in the past day, with Brent's downward pull contributing to the south-bound movement.

Singapore's VLSFO price has declined by $9/mt in the past day – the steepest among major Asian hubs. Four VLSFO stems have been fixed in a wide range of $27/mt in Singapore in the past day. The lower end of the range has contributed to pull the port's benchmark down.

Singapore's VLSFO price drop has meant that its discount to Zhoushan has widened by $3/mt to $13/mt now.

Singapore's LSMGO price has also slumped by $11/mt and languishes at 15-month lows.

Prompt availability of VLSFO and HSFO is currently tight in Singapore. Lead times of around 7-12 days are recommended for both the grades. LSMGO availability is said to be good, requiring shorter lead times of 5-7 days.

Availability across all bunker fuel grades is slightly better in Zhoushan. Lead times of 3-5 days are required for bunker deliveries across all grades in the Chinese bunkering hub.

However, rough weather conditions have complicated deliveries in Zhoushan. Bunkering in Zhoushan's outer port limits (OPL) area has been suspended by bad weather 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. Bunker deliveries are likely to resume fully from tomorrow morning, when calmer weather is forecast.

*Brent*

*The front-month ICE Brent contract has declined by $0.52/bbl on the day, to $81.15/bbl at 17.00 SGT (09.00 GMT).*

*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.*

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*Please get in touch with comments or additional info to news@engine.online*