

MARKET UPDATE EUROPE & AFRICA



ENGINE: Europe & Africa Bunker Fuel Market Update

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European and African bunker prices have moved in mixed directions, and bunkering has been suspended by rough weather in Algoa Bay.

Changes on the day to 09.00 GMT today:

- **VLSFO prices up in Gibraltar (\$20/mt) and Rotterdam (\$12/mt)**
- **LSMGO prices down in Rotterdam (\$11/mt) and Gibraltar (\$4/mt)**
- **HSFO prices up in Rotterdam (\$15/mt) and Gibraltar (\$7/mt)**

Rotterdam's HSFO and VLSFO prices have increased in the past day, while its LSMGO price has come down slightly. Securing prompt deliveries can be difficult in the ARA hub, a source says.

Recommended lead times for HSFO delivery in Antwerp and other ARA ports are around 6-7 days, while LSMGO requires around five days, a source says.

Rotterdam's HSFO price rise has outpaced Gibraltar's to narrow its discount by \$8/mt to \$55/mt.

Bunker fuel availability is said to be normal in Gibraltar, Ceuta and off Malta.

Bunker operations are running normally in Gibraltar, Algeciras and Ceuta, according to port agent MH Bland. Bunker deliveries were disrupted in these ports last week due to rough weather.

Meanwhile, bunkering has been suspended in South Africa's Algoa Bay today due to adverse weather conditions, Rennies Ships Agency says. Swells of more than 5 meters have hit the bay this morning.

Two vessels are currently waiting to bunker at anchorage in Algoa Bay, and two more are scheduled to arrive today, Rennies says.

Brent

Front-month ICE Brent has declined by \$0.49/bbl on the day, to \$84.70/bbl at 09.00 GMT.

Upward pressure:

Global concerns over interest rate hikes and a potential global recession are exaggerated, Skylar Capital managing partner Bill Perkins told CNBC last week.

"I think there's a lot of concern by global macro about a [global] recession happening, interest rates rising, but in a normal economic tightening cycle crude oil demand stays flat or grows. It doesn't collapse," he said.

Perkins said that Covid-led pandemic or housing crises were "extraordinary anomalous events" and cannot be compared with the current economic landscape. According to him, Brent could increase to \$120/bbl before it becomes "self-regulating", and the overall market outlook is "bullish" for Brent.

The next few months will be the "most bullish time" for oil demand as the summer driving season starts and refinery maintenance ends in the US, Kpler's Matt Smith told CNBC.

Downward pressure:

The fragile economic states of the US and several European countries, and uncertainty about potential recessions have kept a lid on Brent price gains. The slow pace of China's demand recovery has added to the downward pressure on Brent futures.

"Crude prices are drifting lower as most energy traders are still on the sidelines until we get a clearer picture on the global growth outlook. There have been a lot of headlines, but nothing is moving oil today as prices appear content hovering above the \$80 [\$80/bbl] given all the supply challenges," says OANDA senior market analyst Ed Moya.

Refinitiv Oil Research estimates that Asian countries imported around 27.60 million b/d in March. That would be a 6.1% drop from the 29.4 million b/d imported in February, and also down from the 29.13 million b/d imported in January, Reuters reports.

By Shilpa Sharma and Konica Bhatt

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