

MARKET UPDATE EUROPE & AFRICA



ENGINE: Europe & Africa Bunker Fuel Market Update

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Most regional bunker prices have declined with Brent, and bunkering at anchorage has been suspended by rough weather in Ceuta.

Changes on the day from Friday, to 09.00 GMT today:

- **VLSFO prices down in Gibraltar (\$11/mt), Rotterdam (\$5/mt) and Durban (\$3/mt)**
- **LSMGO prices down in Gibraltar (\$5/mt), Rotterdam (\$4/mt) and Durban (\$1/mt)**
- **HSFO prices up in Gibraltar (\$2/mt), and down in Rotterdam (\$4/mt)**

Gibraltar's VLSFO price has declined steeper over the weekend than in Rotterdam's. This has narrowed its premium over Rotterdam's from \$28/mt on Friday, to \$22/mt now.

Securing HSFO stems for prompt dates in Antwerp can be difficult. Several suppliers have held back offers amid tight availability. Meanwhile, the product is more readily available in Gibraltar, requiring lead times of three days, a source says.

But suppliers in Gibraltar have cautioned that ongoing rough weather conditions could disrupt bunker deliveries there. Wind gusts of up to 30 knots and swell of two meters are forecast from today, which could impact bunkering or trigger intermittent closures until Wednesday.

Bunker deliveries at Ceuta's anchorage have been suspended today due to rough weather, according to port agent MH Bland. Meanwhile, bunker deliveries at the port's more sheltered berth area are running smoothly, MH Bland says.

Five vessels are scheduled to arrive for bunkers in Ceuta today, according to shipping agent Jose Salama & Co. Bunker deliveries at Algeciras' outer delta anchorage have also been suspended today due to adverse weather conditions.

Brent

Front-month ICE Brent has inched lower by \$0.29/bbl on the day from Friday, to \$85.75/bbl at 09.00 GMT.

Upward pressure:

Forecasts of higher global oil demand and a subsequent shortage of supply this year are supporting Brent futures.

OPEC has projected global oil demand to increase by 2.3 million b/d this year to 101.9 million b/d. The International Energy Agency (IEA) has also forecast a "record" world oil demand of 101.9 million b/d this year.

The IEA has warned that this "record" world oil demand, led by recovery in Chinese consumption and surprise production cuts by OPEC+, will push the world oil supply down by 400,000 b/d by the end of this year.

The US Energy Information Administration (EIA) has also trimmed its global liquid fuel production forecast by 300,000 b/d from its March forecast. In its April short-term outlook, the EIA has forecast OPEC crude oil production to average 33.7 million b/d this year. This is down by 400,000 b/d from its previous forecast.

Downward pressure:

OPEC has forecast a decline in the US and European summer oil demand in the second quarter of this year amid concerns over an economic slowdown and rising interest rates.

"Some mild recession is definitely on the table" in the US – since the Federal Reserve has raised benchmark interest rate by "almost 500 basis points in a year", Chicago Fed President Austan Goolsbee has told CNBC.

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