

MARKET UPDATE EUROPE & AFRICA



ENGINE: Europe & Africa Bunker Fuel Market Update

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European and African bunker prices have mostly declined, and bunker fuels availability is normal in Gibraltar.

Changes on the day to 09.00 GMT today:

- **VLSFO prices up in Durban (\$1/mt), and down in Rotterdam (\$9/mt) and Gibraltar (\$3/mt)**
- **LSMGO prices down in Gibraltar (\$16/mt), Rotterdam (\$13/mt) and Durban (\$10/mt)**
- **HSFO prices down in Rotterdam and Gibraltar (\$7/mt)**
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LSMGO has been offered in Gibraltar today with a \$18/mt price difference between the highest-and lowest-priced offers from suppliers. Two LSMGO stems have been fixed in a wide \$38/mt range in Gibraltar in the past day. The lower end of the range has added more downward pressure to the port's LSMGO benchmark.

VLSFO and LSMGO deliveries can be secured for prompt dates in Gibraltar, a source says. Weather conditions are forecast to be rough today, with wind gusts of up to 30 knots which could complicate bunker deliveries in Gibraltar. However, the weather is expected to improve from tomorrow.

Meanwhile, bunkering at Algeciras' outer port limit (OPL) and outer Delta anchorage remains suspended due to rough weather conditions, port agent MH Bland says. Despite delays, suppliers continue to deliver stems at the more sheltered inner anchorage.

One supplier is running 8-12 hours behind schedule in Algeciras. Other two suppliers are running 2-8 hours behind schedule.

Bunker fuel availability is normal in Durban and Algoa Bay. Recommended lead times are about seven days for VLSFO and LSMGO, a source says.

Brent

Front-month ICE Brent has declined further by \$1.18/bbl on the day, to \$83.10/bbl at 09.00 GMT.

Upward pressure:

The market is seeing signs of a demand recovery from China.

China reported a gross domestic product (GDP) growth of 4.5% in the first quarter of this year. The data was above market expectations, says Phil Flynn, senior account executive at The Price Futures Group.

Also, China's oil refinery throughput surged to a record 14.9 million b/d in March, which indicates "robust oil demand" from the world's biggest oil importer, Phil adds.

US crude inventories have declined by 2.7 million bbls in the week ending 14 April, according to an American Petroleum Institute (API) estimate. The official US Energy Information Administration's weekly data is scheduled for release today.

BP PLC's chief economist Spencer Dale has told Reuters that the global oil market is expected to tighten in the second half of this year due to the OPEC+'s decision to cut oil production.

Downward pressure:

The US Federal Reserve is expected to continue raising its benchmark interest rate, which could keep Brent futures under pressure.

In separate comments, Atlanta Federal Reserve President Raphael Bostic and St. Louis Federal Reserve President James Bullard have alluded to a further 25 basis point interest rate hike by the US central bank.

Iraq's official state news agency has confirmed that Kurdish authorities met with Iraqi ministers to discuss the oil agreement between the two regions. The agreement will pave the way for up to 450,000 b/d of crude oil to be exported from Iraq's Kurdistan-operated northern oil fields to Turkey.

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