

# MARKET UPDATE AMERICAS



## ENGINE: Americas Bunker Fuel Market Update

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Most bunker prices in the Americas have come down with Brent, and bunker operations have been suspended in GOLA.

Changes on the day to 08.00 CDT (13.00 GMT) today:

- **VLSFO prices up in Balboa (\$2/mt), and down in Houston (\$14/mt) and New York (\$4/mt)**
- **LSMGO prices up in Balboa (\$30/mt), and down in Houston (\$10/mt) and New York (\$7/mt)**

**HSFO prices unchanged in Balboa, and down in Houston and New York (\$2/mt)**

Balboa's LSMGO price as countered Brent's downward movement by gaining slightly in the past day. One higher-priced 50-150 mt LSMGO stem contributed to keeping the port's benchmark elevated.

Houston's LSMGO price has come down by more than others amid downward pressure from a lower-priced stem today. This has widened Balboa's LSMGO premium over Houston's from \$60/mt yesterday, to \$100/mt now.

All bunker fuel grades are tight for prompt delivery dates in Houston. A refinery explosion in Texas might have curbed supply and pushed back delivery dates for a bunker supplier in the Houston area.

Bunker operations have been suspended in the Galveston Offshore Lightering Area (GOLA) due to strong wind gusts of up to 38 knots. Operations are expected to resume with calmer weather later today and deliveries might be allowed to resume on a case-by-case basis.

### **Brent**

The front-month ICE Brent contract has dipped \$0.20/bbl lower on the day, to \$76.55/bbl at 08.00 CDT (13.00 GMT) today.

**Upward pressure:**

Decreasing Chinese oil imports and global macroeconomic worries may prompt OPEC+ producers to announce further cuts to output this year, according to analysts. A short-supply situation bodes well for prices.

Several major Canadian oil and gas producers have halted operations as a safety precaution following raging wildfires in the west of that country. This has shut off over 200,000 b/d of oil equivalent from the market. Most companies are uncertain about when production will resume.

**Downward pressure:**

China has reported a decline in crude imports, which indicates stagnant domestic demand nationwide. This casts doubts over expectations of a strong recovery in the world's largest oil consumer.

Imports have slipped 16% on the month, to 10.3 million b/d in April, according to a Reuters report that cited Chinese customs data. That was also a 1.45% drop from the same month last year.

In the US, lawmakers remain in a deadlock over raising the government's borrowing limit. The White House's economic advisors have warned of a financial crisis akin to the "great recession" of 2008 if the US defaults on its debt payments.

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