

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Bunker prices in Americas ports have again moved in mixed directions, and prompt bunker availability has improved with the weather in GOLLA.

Changes on the day to 07.00 CDT (12.00 GMT) today:

- **VLSFO prices up in Balboa (\$20/mt), unchanged in Houston, and down in Zona Comun (\$4/mt)**
- **LSMGO prices up in Balboa (\$13/mt) and New York (\$5/mt), and down in Houston (\$31/mt) and Zona Comun (\$8/mt)**

HSFO prices up in Houston (\$11/mt), and down in Balboa (\$1/mt)

Houston's LSMGO price has again made the steepest drop in the past day. Two lower-priced LSMGO stems with prompt delivery have dragged the port's benchmark lower. Balboa's LSMGO price has gained, widening its premium over Houston's further to \$62/mt now.

HSFO is still tight in Panama, while most suppliers are able to deliver VLSFO and LSMGO stems in Balboa with a lead time of 4-5 days.

Calmer weather has allowed bunkering in the Galveston Offshore Lightering Area (GOLLA) to run smoothly. Suppliers are able to deliver stems at the anchorage with six days of lead time.

Brent

The front-month ICE Brent contract has gained by \$0.48/bbl on the day, to \$75.10/bbl at 07.00 CDT (12.00 GMT).

Upward pressure:

Chinese oil demand is projected to surpass previous expectations and this has prompted the International Energy Agency (IEA) to raise its global oil demand forecast by 200,000 b/d for 2023. The IEA now expects global oil demand to rise by 2.2 million b/d this year and average 102 million b/d.

Meanwhile, global oil demand is expected to exceed supply by almost 2 million b/d this year, which could tighten the market in the second half of the year, according to the IEA.

Commercial US crude inventories were drawn by 3.7 million bbls in the week that ended 12 May, according to an American Petroleum Institute (API) estimate. Official weekly data from the Energy Information Administration (EIA) is scheduled for release later today.

Downward pressure:

A gloomy global macroeconomic outlook, says senior analyst at OANDA Ed Moya, pointing weaker economic data released from the US and China as a near-term concern.

"Crude prices remain heavy as energy traders just can't shake off global demand concerns. It doesn't matter how upbeat everyone is for China's second half of the year, the current situation is too disappointing," he has said.

By Debarati Bhattacharjee and Konica Bhatt

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