

# MARKET UPDATE EUROPE & AFRICA



## ENGINE: Europe & Africa Bunker Fuel Market Update

09/05/23

Bunker prices in most European and African ports have come down with Brent, and bunkering has been suspended at Las Palmas' outer anchorage since yesterday.

Changes on the day to 09.00 GMT today:

**VLSFO prices down in Rotterdam (\$28/mt), Durban (\$22/mt) and Gibraltar (\$12/mt)**

**LSMGO prices up in Rotterdam (\$10/mt) and Gibraltar (\$2/mt), and down in Durban (\$39/mt)**

**HSFO prices down in Rotterdam (\$18/mt) and Gibraltar (\$8/mt)**

HSFO and VLSFO prices have decreased in Gibraltar and Rotterdam in the past day. Prompt supply of the two grades is still tight in Rotterdam, requiring lead times of 6-7 days for good coverage from suppliers, a source says.

HSFO supply is said to be slightly tight in Gibraltar, while VLSFO and LSMGO grades are more readily available, sources say.

A lower-priced 150-500 mt VLSFO stem has been fixed in Gibraltar in the past day and contributed to drag the port's benchmark lower.

No congestion has been reported in Gibraltar today, according to port agent MH Bland.

Meanwhile, bunkering has been suspended at Las Palmas' outer anchorage since yesterday due to bad weather conditions, MH Bland says. Strong winds and swells of 2.4 metres have hit the port today. The weather is forecast to remain bad until Saturday, which could cause more delays and disruptions. Bunker deliveries are still available via ex-pipe at berth or by barge at the port's inner anchorage, MH Bland says.

Offshore Malta is also experiencing rough weather conditions, which could cause delays in bunker operations today, a source says. However, availability of all bunker fuel grades is said to be normal there.

In South Africa's Durban, VLSFO and LSMGO prices have come down in the past day. Supply of both products is said to be normal there, a source says.

### **Brent**

The front-month ICE Brent contract has inched lower by \$0.25/bbl on the day, to \$76.25/bbl at 09.00 GMT.

**Upward pressure:**

China's decreasing crude imports and global macroeconomic worries may prompt OPEC+ producers to announce further cuts in supply this year, according to analysts.

A number of major Canadian oil and gas producers have halted operations as safety precautions following raging wildfires in the west of the 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 oil imports, which indicates stagnant domestic demand and casts doubt over the economic recovery of the world's largest oil consumer.

China's crude oil imports have slipped 16% lower on the month, to 10.3 million b/d in April, according to Reuters citing official customs data. It was also a 1.45% drop from the same month last year.

The White House and Republican lawmakers in the US remain in a deadlock over raising the debt ceiling. 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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