

MARKET UPDATE EUROPE & AFRICA



ENGINE: Europe & Africa Bunker Fuel Market Update

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

Changes on the day to 09.00 GMT today:

- **VLSFO prices up in Rotterdam (\$5/mt) and Gibraltar (\$4/mt), and down in Durban (\$1/mt)**
- **LSMGO prices up in Rotterdam (\$13/mt) and Gibraltar (\$6/mt), and unchanged in Durban**
- **HSFO prices up in Rotterdam (\$7/mt) and Gibraltar (\$4/mt)**

Bunker prices across all grades have increased in Rotterdam and Gibraltar in the past day. Prompt supply of VLSFO and HSFO is said to be tight in Rotterdam, while LSMGO is more readily available.

Fixing prompt stems of HSFO can be difficult in Gibraltar as well. One supplier is fully booked for prompt dates there. Meanwhile, availability of other fuel grades is said to be normal.

Gibraltar's HSFO price is at \$21/mt premium over Algeciras, and at \$9/mt discounts to Malta and Las Palmas.

Bunkering has been suspended at Las Palmas' outer anchorage since Monday due to bad weather, MH Bland says. The weather is forecast to remain bad until Saturday, which could cause more delays. However, deliveries are still available via ex-pipe at berth or by barge at the port's inner anchorage, MH Bland says. Bunkering is progressing normally in Ceuta, where seven vessels are due to arrive for bunkers today, according to shipping agent Jose Salama & Co.

Brent

The front-month ICE Brent contract has gained by \$0.99/bbl, to \$77.26/bbl at 09.00 GMT.

Upward pressure:

The US Energy Information Administration (EIA) has maintained its global liquid fuel demand forecast for 2023. In its latest monthly report, the watchdog predicts consumption will still reach 100.9 million b/d this year and 102.7 million b/d in 2024, led by China and India.

The EIA reaffirming its 2023 and 2024 demand forecasts gives the markets some hope that China's oil demand can rebound this year, alongside optimism that India could bolster its crude imports.

Downward pressure:

Commercial US oil inventories have gained by 2.95 million barrels on the week, to 462.58 million barrels on 5 May, according to US EIA data.

The build in US crude inventories “comes amid an uncertain economic backdrop,” says ANZ commodity strategist Daniel Hynes. “While US inflation eased more than expected in April, there are fears the impact of recent rate hikes are only now surfacing in the US economy.”

Meanwhile, in China, peak refinery maintenance contributed to a 16% decline in oil imports in April, per a report by market intelligence provider JLC.

“The month-on-month slump was mainly because March imports rose to an unusually high level, amid delayed customs declarations of some cargoes from the first two months of the year,” JLC stated. It expects a modest increase in May's crude imports.

By Shilpa Sharma and Konica Bhatt

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