
# ENGINE: Europe & Africa Bunker Fuel Market Update

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Bunker prices in European and African ports have moved in mixed directions, and bunker deliveries off Malta have been suspended amid bad weather.

Changes on the day from Friday, to 09.00 GMT today:

- **VLSFO prices up in Gibraltar ($8/mt) and Durban ($2/mt), and down in Rotterdam ($1/mt)**
- **LSMGO prices up in Gibraltar ($10/mt) and Durban ($4/mt), and down in Rotterdam ($7/mt)**
- **HSFO prices down in Rotterdam ($6/mt) and Gibraltar ($2/mt)**

Bunker operations have been suspended off Malta due to adverse weather conditions, a source says. Strong wind gusts of up to 21 knots have hit Malta today. Bunker fuels availability is said to be normal there, but bad weather conditions could delay delivery of stems, the source adds.

In Las Palmas, bunkering has been suspended at the port’s outer anchorage since last week due to rough weather, according to port agent MH Bland. However, bunker deliveries via ex-pipe at berth or by barge at the port's inner anchorage is available, MH Bland says.

Bunker prices across all grades have decreased some in Rotterdam over the weekend. Prompt supply of LSMGO is said to be normal there, while availability of VLSFO and HSFO has been tight in the ARA over the past few weeks, sources say.

Gibraltar’s VLSFO price has increased over the weekend. This has widened Gibraltar’s premium over Rotterdam by $9/mt to $24/mt.

Bunker fuels availability is normal for most grades in Gibraltar, but securing prompt supply of HSFO has been difficult in the last two weeks.

**Brent**

The front-month ICE Brent contract has inched lower by $0.43/bbl on the day from Friday, to $74.15/bbl at 09.00 GMT.

**Upward pressure:**

Global oil demand projections remain positive despite macroeconomic concerns. Market watchers such as OPEC and the US Energy Information Administration believe that crude demand will be largely driven by China and India.

Oil supply is likely to tighten in the second half of this year, pushing prices higher, ING commodity strategist Warren Patterson has written in a note. “While the oil market has been well supplied so far in 2023, it is expected to tighten significantly over the second half of the year.”

Meanwhile, the Iraqi government has informed Turkish authorities to resume exporting 450,000 b/d from Ceyhan Port. However, it is unlikely that Turkey will accept Baghdad's request and resume oil exports, according to Bloomberg's latest report citing official Turkish sources.

**Downward pressure:**

“The sell-off in the market has been unrelenting over recent weeks,” ING’s Patterson has said, “with negative sentiment rising following concerns over the macro environment and what it could eventually mean for oil demand.”

Weaker refinery margins have also raised doubts over the strength of oil demand, according to Patterson.

ING has made a $5/bbl downward revision to its Brent price forecast for this year, to $96/bbl, as Patterson expects “slightly weaker” global demand and “sticky Russian supply” to limit price gains.

“Impressive resilience given all of the challenges thrown at the market as concerns about the debt ceiling, rates, banking stress, the long-term inflation outlook and China's deflationary funk have recessionary fears boiling over again as the laundry list of worries builds,” SPI Asset Management managing partner Stephen Innes has said.

*By Shilpa Sharma and Konica Bhatt*

*Please get in touch with comments or additional info to news@engine.online*