

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Prices have moved in mixed directions across major American ports, and prompt HSFO available in Balboa and off Trinidad.

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

- **VLSFO prices up in Zona Comun (\$8/mt), Houston and New York (\$7/mt) and Balboa (\$4/mt), and down in Los Angeles (\$13/mt)**
- **LSMGO prices up in Zona Comun (\$10/mt), New York (\$6/mt), Houston (\$2/mt), and down in Los Angeles (\$9/mt) and Balboa (\$3/mt)**
- **HSFO prices up in Balboa (\$7/mt), unchanged in New York, and down in Houston (\$5/mt)**

Los Angeles' VLSFO benchmark has defied Brent's upward thrust by declining over the weekend. One lower-priced 500-1500 mt stem with prompt delivery has contributed to drag the port's benchmark lower.

Despite the price drop, the port continues to price the grade at premiums over New York and Houston. Its premiums over New York and Houston currently stand at \$20/mt and \$43/mt, respectively.

Los Angeles' LSMGO price also fell over the weekend with pressure from a lower-priced 150-500 mt stem.

Recommended lead times for VLSFO and LSMGO in Los Angeles are around 5-6 days, down from typical lead times of 12-14 days.

Availability of HSFO is slightly better in Balboa. One supplier can deliver the fuel grade for prompt dates with a lead time of 5-10 days.

Similarly, securing HSFO off Trinidad is also possible for prompt dates. A supplier can deliver the stems with a lead time of 4-7 days.

Brent

The front-month ICE Brent contract has gained by \$5.25/bbl on the day from Friday, to \$77.89/bbl at 08.00 CDT (13.00 GMT) today.

Upward pressure:

Brent crude futures gained after Saudi Arabia announced an output reduction of 1 million b/d to 9 million b/d from July, at the OPEC+ meeting on Sunday.

The Organisation of the Petroleum Exporting Countries (OPEC) and its allies, known as OPEC+, agreed to extend output cuts until the end of 2024. From 1 January 2024, OPEC+ will reduce its output target by another 1.4 million b/d, and has set a new target for the whole of 2024 to 40.46 million b/d.

Russia will extend its voluntary output cut of 500,000 b/d until December 2024, Russia's Deputy Prime Minister Alexander Novak said after the OPEC+ meeting.

Oil markets have been monitoring the outcomes of this highly anticipated meeting as OPEC+ represents the leading group of producers of global crude oil. Its policies and regulations can have major impacts on prices.

Downward pressure:

OPEC+ allowed the UAE to raise its output target by around 200,000 b/d to 3.22 million b/d.

On the other hand, commercial crude inventories in the US gained by 4.49 million bbls in the week to 26 May, according to official Energy Information Administration (EIA) figures released last week.

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