

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

13/07/23

Bunker prices in the Americas have gained steeper with Brent, and bunker operations are suspended in Zona Comun.

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

- **VLSFO prices up in Balboa (\$18/mt), Houston (\$17/mt), Zona Comun (\$12/mt) and New York (\$11/mt)**
- **LSMGO prices up in New York (\$28/mt), Balboa (\$24/mt), Houston (\$19/mt) and Zona Comun (\$15/mt)**
- **HSFO prices up in Houston (\$14/mt), Balboa (\$9/mt) and New York (\$8/mt)**

Balboa's VLSFO has gained relatively more than New York's. This has flipped New York's marginal price premium of \$2/mt over Balboa, to a \$5/mt discount now. Balboa's VLSFO is also trading at a \$23/mt premium over Houston.

On the other hand, New York's LSMGO price has gained relatively more than Balboa's. The price moves have narrowed its premium over Balboa from \$11/mt yesterday, to \$7/mt now.

Zona Comun's VLSFO has gained \$12/mt in the past day, placing it above other regional ports. Tight supply of the grade has added upward price pressure. The earliest delivery dates with one supplier in Zona Comun stretch up to 22-23 July.

Bunker operations have been suspended in Zona Comun due to rough weather conditions. The region is currently experiencing strong gale-force wind gusts of up to 35 knots. The weather is expected to clear up from tomorrow evening.

Brent

The front-month ICE Brent contract has increased by \$1.53/bbl on the day, to \$79.83/bbl at 08.00 CDT (13.00 GMT) today.

Upward pressure:

Supply-side dynamics continue to support Brent futures after OPEC+'s de facto leader Saudi Arabia along with Russia and Algeria pledged to continue crude production cuts into August, amounting to an output reduction of a little over 1.5 million b/d.

Brent felt more upward momentum as the oil market shook off skepticism about Russia's commitment to cut oil output. "Data suggests that Russia is showing signs of compliance even though it may have something to do with seasonal factors," said Price Futures Group's senior market analyst Phil Flynn.

Moreover, the US Energy Information Administration (EIA) has forecast global oil demand to grow in the remainder of 2023. The EIA has projected global oil demand to surpass global crude supply by around 100,000 b/d in 2023 and by around 200,000 b/d in 2024.

Downward pressure:

Brent felt some downward pressure after US crude inventories increased by around 3 million bbls in the week ended 7 July, Reuters reported citing the American Petroleum Institute (API) data.

"The API numbers released overnight were more bearish than expected," said ING's market analyst Warren Patterson. "The market had been expecting some small draws across crude and products," he added in a note.

The more widely followed EIA inventory report will be released later today.

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