

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly gained with Brent, and port operations in the southern part of Hawaiian Island have been suspended due to Tropical Storm Calvin.

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

- **VLSFO prices up in Balboa (\$18/mt), Houston (\$8/mt) and New York (\$3/mt), and down in Zona Comun (\$1/mt)**
- **LSMGO prices up in New York (\$24/mt), Balboa (\$22/mt) and Houston (\$11/mt)**
- **HSFO prices up in New York (\$18/mt), Balboa (\$16/mt) and Houston (\$12/mt)**

Balboa's VLSFO price has gained sharper in the past day, while New York's VLSFO price made a modest price rise. The price moves have flipped New York's VLSFO price premium of \$5/mt over Balboa to a \$10/mt discount now. Balboa's VLSFO is now priced at a premium over other regional ports.

New York's HSFO price gain has outpaced its VLSFO, narrowing the port's Hi5 spread from yesterday's \$96/mt to \$91/mt now. However, the port's Hi5 spread is wider than the spread of \$66/mt in Los Angeles.

Bunker operations have been running smoothly in Argentina's Zona Comun anchorage. But strong winds of up to 35 knots are forecast between Friday and Sunday, which could disrupt bunkering at the anchorage. VLSFO availability is said to be tight in Zona Comun, with lead times of more than seven days recommended.

Port operations in Hawaii's Big Island, Maui, Molokai, Lanai and Kahoolawe have been suspended as Tropical Storm Calvin brushes through the southern part of Hawaii, a source says. The storm is expected to bring heavy rainfall and strong winds to the region, the US National Hurricane Center (NHC) reported.

Brent

The front-month ICE Brent contract has gained \$1.82/bbl on the day, to \$80.32/bbl at 08.00 CDT (13.00 GMT) today.

Upward pressure:

Brent has moved up amid renewed optimism about a recovery in Chinese oil demand. China's highest economic planner, National Development and Reform Commission (NDRC) has pledged to roll out policies to “restore and expand” consumption in the world’s biggest oil-importing nation, Reuters reports.

Additionally, data from the American Petroleum Institute (API) showed that the US crude, distillate, and gasoline inventories declined last week, according to a Reuters report.

US crude oil inventories fell by 800,000 bbls in the week ended 14 July, as per the latest API data. Meanwhile, market analysts were expecting a larger draw of around 2.3 million bbls. “The (API) numbers were fairly neutral,” said ING’s market analyst Warren Patterson.

The more widely followed Energy Information Administration (EIA) report will be released later today.

Downward pressure:

Oil prices felt some downward pressure after China reported weaker-than-expected gross domestic product (GDP) figures last week.

“The bullish oil thesis was again kneecapped by the ongoing deterioration in China's growth fundamentals,” said SPI Asset Management’s analyst Stephen Innes. “The major fear is that signs of slowing in the broader economy will begin to impact transport demand,” he noted.

A slight recovery in the US dollar has added to the downward pressure on oil, Patterson said. “Supply concerns have also eased, with both the Sharara and El Feel oil fields in Libya reportedly resuming after a brief shutdown last week due to protests,” he added in a note.

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