

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Americas bunker benchmarks have moved in mixed directions, and Houston's LSMGO price has jumped to a six-month high.

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

- **VLSFO prices up in Balboa (\$11/mt), Houston (\$6/mt) and Los Angeles (\$4/mt), and down in Zona Comun (\$17/mt)**
- **LSMGO prices up in Houston (\$96/mt) and Balboa (\$4/mt), and down in Los Angeles (\$35/mt)**
- **HSFO prices up in Balboa (\$12/mt), and down in Houston (\$5/mt)**

Houston's LSMGO price has surged higher in the past day. A higher-priced 50-150 mt LSMGO stem with prompt delivery has elevated the port's benchmark. Its LSMGO price has moved above the \$1,000/mt-mark for the first time in six months.

Houston's LSMGO price is now trading at a rare premium over most other Americas ports, including Los Angeles (\$22/mt), New York (\$13/mt) and Balboa (\$4/mt).

Zona Comun's LSMGO price has fallen with Brent in the past day. This price change has narrowed Zona Comun's premium over Houston by almost two-thirds in the past day, from \$185/mt to \$63/mt now.

Bunker operations have been running smoothly at Argentina's Zona Comun anchorage. However, strong winds of up to 29 knots are forecast between Wednesday and Thursday, which could delay bunkering or trigger a suspension there.

Brent

The front-month ICE Brent contract has dropped by \$0.51/bbl on the day, to \$84.93/bbl at 08.00 CDT (13.00 GMT) today.

Upward pressure:

Brent continued its upward movement following recent comments from the US Federal Reserve chairman Jerome Powell. Powell said that the US economy can achieve a “soft landing” in 2023, Reuters reports.

“The increased possibility of a US soft landing also supports oil’s bullish thesis,” said SPI Asset Management’s analyst Stephen Innes.

Meanwhile, oil traders expect Saudi Arabia to extend its voluntary output cut of 1 million b/d into September, when the Organization of the Petroleum Exporting Countries (OPEC) and its allies (OPEC+) hold their monthly joint ministerial monitoring committee meeting on 4 August.

“Crude prices are finishing a solid month on a high note as demand prospects remain impressive and no one doubts that OPEC+ will keep this market tight,” said Ed Moya, OANDA’s market analyst.

Downward pressure:

China’s Politburo, the highest state planner of the Communist Party, released additional policy guidelines to improve the country’s economic activities at a press conference on Monday. However, the Chinese officials did not announce any concrete measures or policies to support the country’s economic growth, according to a Reuters report.

Brent has felt some downward pressure in recent days due to concerns about the slow pace of economic recovery in China amid recurring COVID-19 outbreaks.

By Debarati Bhattacharjee and Aparupa Mazumder

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