

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

10/08/23

Americas bunker prices have mostly gained with Brent, and bad weather could disrupt Zona Comun bunkering from tomorrow.

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

- **VLSFO prices up in Balboa (\$8/mt), New York and Los Angeles (\$4/mt), and down in Houston (\$7/mt) and Zona Comun (\$2/mt)**
- **LSMGO prices up in Balboa (\$32/mt), Zona Comun (\$18/mt), New York (\$13/mt) and Los Angeles (\$6/mt), and down in Houston (\$11/mt)**
- **HSFO prices up in Los Angeles and New York (\$3/mt), unchanged in Balboa, and down in Houston (\$2/mt)**

Houston's LSMGO has countered the general market direction by falling in the past day. Meanwhile, Balboa's LSMGO price has gained heavily in the past day with support from a firm offer at a higher level. The price move has widened Balboa's LSMGO premium over Houston from \$24/mt yesterday, to \$67/mt now.

New York's LSMGO price has made a smaller gain compared to Balboa in the past day, to flip New York's \$5/mt LSMGO premium over Balboa, to a \$14/mt discount now.

Houston has seen steady demand for LSMGO and VLSFO grades in the past week. Availability of these grades is good in the port, primarily due to its large pool of suppliers.

Strong wind gusts ranging between 26-30 knots are forecast to hit Zona Comun tomorrow, which could delay bunker operations until Monday. Winds at the higher end of that range can pose problems to bunker deliveries by barge.

Brent

The front-month ICE Brent contract has moved up by \$0.45/bbl on the day, to \$87.31/bbl at 08.00 CDT (13.00 GMT) today.

Upward pressure:

Brent has gained amid concerns over supply disruptions from Russia. Tension between Russia and Ukraine in the Black Sea region has prompted fears of damage to Russian oil shipments.

Ukrainian President Volodymyr Zelenskiy said on Tuesday that Ukraine would be resilient against Russia in the Black Sea region to make sure that its waters were not blockaded, Reuters reported.

“If Russia continues to dominate the Black Sea, outside its territory, blockading or firing at us again, launching missiles at our ports, Ukraine will do the same. This is a just defense of our opportunities, of any corridor,” Reuters quoted Zelenskiy as saying.

Brent’s gain was, “inspired by threats by Ukraine to respond to Russia’s port attacks putting risk not only to global grain supplies but also Russian oil exports,” commented Price Futures Group’s senior market analyst Phil Flynn.

Downward pressure:

US crude inventories increased by 5.9 million barrels in the week that ended 4 August to 445.6 million barrels, according to the US Energy Information Administration (EIA).

“The EIA report was not all bullish as US production rose to the highest levels since March 2020 and crude exports fell to the weakest levels in four weeks,” said OANDA’s market analyst Ed Moya.

Oil traders are now waiting for fresh cues from July Consumer Price Index (CPI) data from the US, which could help to understand the US Federal Reserve's (Fed) future course of action on interest rates.

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