

# MARKET UPDATE AMERICAS



## ENGINE: Americas Bunker Fuel Market Update

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Bunker benchmarks in Americas have taken mixed directions again, and Los Angeles' LSMGO is trading at massive discounts to other regional ports.

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

- **VLSFO prices up in Los Angeles (\$5/mt) and New York (\$1/mt), unchanged in Houston, and down in Zona Comun (\$16/mt) and Balboa (\$9/mt)**
- **LSMGO prices up in Los Angeles (\$41/mt) and Zona Comun (\$28/mt), and down in Balboa (\$13/mt), New York (\$12/mt) and Houston (\$5/mt)**
- **HSFO prices up in Houston (\$14/mt), New York (\$10/mt) and Los Angeles (\$6/mt), and unchanged in Balboa**

Los Angeles' LSMGO price has defied Brent's downward movement by gaining heavily in the past day. Meanwhile, Houston's LSMGO price has dropped slightly, to widen its LSMGO discount to Los Angeles from \$116/mt yesterday, to \$162/mt now.

Los Angeles' LSMGO price is currently trading at a premium of more than \$100/mt over most Americas ports. Its premiums over New York and Balboa stand at \$116/mt and \$103/mt, respectively. Los Angeles' LSMGO discount to Zona Comun has narrowed to \$74/mt, from \$87/mt yesterday.

Despite a runaway LSMGO price in Los Angeles, demand has been good, especially for dates further out. Most suppliers are able to accommodate stems for enquired dates.

Suppliers in Zona Comun have been warned about delays in barge loadings and bunker deliveries over the weekend due to rough weather conditions. Strong wind gusts ranging between 26-30 knots are forecast to hit Zona Comun later today.

## **Brent**

The front-month ICE Brent contract has shed \$0.41/bbl on the day, to \$86.40/bbl at 08.00 CDT (13.00 GMT) today.

### **Upward pressure:**

Brent futures gained some upward momentum after the Organization of the Petroleum Exporting Countries (OPEC) released its flagship monthly oil market report. The oil producer group has forecast global oil demand to grow by 2.4 million b/d, broadly unchanged from its earlier projection.

The core 13 OPEC member countries produced 27.31 million b/d of crude oil in July, down 836,000 b/d from the previous month.

Additionally, the International Energy Agency (IEA) has forecast global oil demand to grow by 2.2 million b/d to 102.2 million b/d in 2023, with China accounting for more than 70% of growth.

### **Downward pressure:**

Downward pressures acting on Brent this week include recent Chinese import data for the month of July.

China's total crude oil imports in July were about 43.69 million mt, a dip of 18.8% from June, reported market intelligence provider JLC, citing data released by China's General Administration of Customs (GACC).

Concerns about demand growth in the world's largest oil importer have kept a lid on rise in Brent futures.

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