

# MARKET UPDATE AMERICAS



## ENGINE: Americas Bunker Fuel Market Update

21/08/23

Americas bunker prices have mostly gained over the weekend, and deliveries are expected to be suspended by rough weather in GOLLA.

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

- **VLSFO prices up in Los Angeles (\$32/mt), Houston (\$24/mt), Zona Comun (\$22/mt), New York (\$15/mt) and Balboa (\$7/mt)**
- **LSMGO prices up in New York (\$61/mt), Los Angeles (\$41/mt), Houston (\$40/mt), Zona Comun (\$29/mt) and Balboa (\$1/mt)**
- **HSFO prices up in Houston (\$24/mt), New York (\$16/mt) and Los Angeles (\$15/mt), and down in Balboa (\$7/mt)**

New York's LSMGO price has jumped the most over the weekend, with support from a firm offer at a higher level. Los Angeles' LSMGO price has made a smaller gain compared to New York's, to narrow its LSMGO price premium over New York from \$64/mt on Friday, to \$44/mt now.

Balboa's HSFO price has defied Brent's upward movement and has dropped over the weekend. Meanwhile, the port's VLSFO price has gained marginally, to widen its Hi5 spread above the \$100/mt mark again. At \$110/mt, Balboa's Hi5 spread is much wider than spreads of \$52/mt in Houston and \$73/mt in New York.

In the Galveston Offshore Lightering Area (GOLLA), bunker deliveries are expected to be suspended due to strong wind gusts of up to 39 knots later today. This can hold back scheduled deliveries until tomorrow evening.

The West Coast port of San Diego has resumed operations today after being hampered by "Tropical Storm Hilary" on Sunday. Bunker operations in Long Beach are expected to resume this evening, a source says.

## **Brent**

The front-month ICE Brent contract has gained \$2.00/bbl on the day from Friday, to trade at \$85.49/bbl at 08.00 CDT (13.00 GMT) today.

### **Upward pressure:**

Brent futures gained upward momentum due to concerns about tight global supply amid a slowdown in exports from Saudi Arabia and Russia. Earlier this month, both countries pledged to extend their supply cuts into September.

Saudi Arabia pledged to extend its voluntary production cuts of 1 million b/d into September, while Russia announced to slash its output by 300,000 b/d. Several market analysts expect oil exports from OPEC+ to come down this month.

### **Downward pressure:**

Growing concerns about more interest rate hikes by the US Federal Reserve (Fed) kept a lid on the Brent price's gain. Higher interest rates make the greenback stronger against other currencies, which in turn could dampen demand growth for dollar-denominated commodities like crude oil.

Fed officials are expected to discuss inflation and deliver necessary policy changes at the next Federal Open Market Committee (FOMC) meeting on 19 and 20 September.

"Fed Chair [Jerome] Powell's speech will reiterate that more rate hikes might be needed and that rates should stay higher for longer," OANDA's senior market analyst Ed Moya said.

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*Please get in touch with comments or additional info to [news@engine.online](mailto:news@engine.online)*

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