

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Regional bunker benchmarks have mostly declined, and Tropical Storm Harold has triggered a bunker suspension in GOLA.

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

- **VLSFO prices down in New York (\$27/mt), Balboa (\$18/mt), Houston (\$16/mt), Los Angeles (\$14/mt) and Zona Comun (\$10/mt)**
- **LSMGO prices up in Balboa (\$8/mt) and Zona Comun (\$4/mt), and down in New York (\$66/mt) and Houston (\$17/mt)**
- **HSFO prices up in Balboa (\$11/mt), and down in New York (\$22/mt)**

Bunker benchmarks in the Americas have mostly declined in the past day. The price of LSMGO has particularly come off in New York. A lower-priced 150-500 mt LSMGO stem fixed at \$971/mt in New York today has contributed to drag its benchmark lower.

New York's VLSFO price has also made a sizeable loss, weighed down by a lower-priced 500-500 mt stem fixed in the past day. The price move has erased its \$10/mt premium over Houston's VLSFO.

Bunkering has been suspended by bad weather conditions in the Galveston Offshore Lightering Area (GOLA) today, a source says. The region is experiencing strong wind gusts of up to 30 knots due to passing Tropical Storm Harold, making barge deliveries difficult. Bunkering could resume tomorrow morning, when improved weather conditions are forecast.

Tropical Storm Harold, which formed in the Gulf of Mexico overnight, is projected to cross the south Texas region early on Wednesday, according to the US National Hurricane Center (NHC). It poses a risk of flash flooding from heavy rains and coastal flooding along the south Texas coast today, NHC adds.

It could trigger a bunker suspension or delays in ports such as Corpus Christi, which is located close to the storm's projected path, a source says.

Brent

The front-month ICE Brent contract has shed \$1.35/bbl on the day, to trade at \$84.14/bbl at 08.00 CDT (13.00 GMT) today.

Upward pressure:

Brent futures has continued to gain support from concerns over tightening supply.

“Oil prices should remain supported going forward as OPEC+ remains committed to keeping the market tight and as the Russia – Ukraine war could threaten Russian crude exports,” said OANDA’s senior market analyst Ed Moya.

Moreover, travel during the peak driving summer season is expected to boost oil demand in the US.

News reports that the US is refilling its strategic petroleum reserve (SPR) amid a steady rise in the country’s oil demand have also supported Brent futures, Ed Moya said.

“The SPR should be poised to receive another 2 million bbls before the end of summer,” he added in a note. US crude oil stocks in the SPR were at 346 million bbls as of 31 July.

Downward pressure:

Brent shed previous gains as concerns about the global tight supply eased after Reuters reported that Iraq’s oil minister Hayan Abdel-Ghani is expected to discuss the resumption of Iraqi oil exports with his counterpart in Turkey. Abdel-Ghani arrived in Turkey on Monday.

Speculations that Iraq will now resume oil supply through the Ceyhan oil terminal in Turkey have weighed down on Brent futures.

Turkey suspended Iraq’s crude oil exports of 450,000 b/d through the Iraq-Turkey pipeline in northern Iraq on 25 March after an arbitration ruling by the International Chamber of Commerce (ICC).

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