

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly gained in the past day, and Houston's Hi5 spread has widened.

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

- **VLSFO prices up in Houston (\$7/mt), Balboa (\$2/mt), New York, Los Angeles and Zona Comun (\$1/mt)**
- **LSMGO prices up in Balboa (\$12/mt), Los Angeles (\$2/mt), Zona Comun, Houston and New York (\$1/mt)**
- **HSFO prices up in New York (\$1/mt), unchanged in Los Angeles, and down in Houston (\$37/mt) and Balboa (\$3/mt)**

Houston's HSFO price has shed the most in the past day, weighed down by a lower-priced 500-1,500 mt prompt delivery stem fixed yesterday. Meanwhile, the port's VLSFO price has gained, to widen its Hi5 spread from \$55/mt yesterday, to nearly \$100/mt now.

Balboa's HSFO price has come down marginally in the past day. This has flipped its \$27/mt discount to Houston, to a \$7/mt premium now.

Balboa's LSMGO price has made a steeper gain compared to other regional ports and has shot above the \$1,000/mt price mark. Despite the price rise, the port's LSMGO price is still trading at huge discounts of \$128/mt and \$192/mt to Zona Comun and Los Angeles, respectively.

Availability of all fuel grades has been good in Balboa. Most suppliers are able to offer stems within 4-5 days of lead time.

Brent

The front-month ICE Brent contract has inched lower by \$0.15/bbl on the day, to trade at \$82.68/bbl at 08.00 CDT (13.00 GMT) today.

Upward pressure:

Brent futures continued to draw support from the supply cuts announced by Saudi Arabia-led oil-producer group OPEC+. Earlier this month, Saudi Arabia and Russia announced an extension of their voluntary production cuts into September.

“Saudi Arabia is so confident in the global demand outlook that they took steps of not only extending its lollipop 1.0 million barrel a day production cut [to include September] but also raised its selling price for its oil to Europe,” said Price Futures Group’s senior market analyst Phil Flynn.

“The cut could be extended or extended and deepened depending I guess, on their mood” he added in a note.

Downward pressure:

Downward pressures acting on the Brent price include easing of concerns about tight global supply.

Iran’s crude oil output will increase to 3.4 million b/d by the end of September from the current production level of 3.3 million b/d, the country's state media agency IRNA reported quoting Iran's oil minister Javad Owji as saying.

Additionally, the US government is drafting a proposal to ease sanctions on Venezuelan oil exports, allowing more US companies to buy crude from Venezuela, Reuters reported.

“Oil also sold off on hopes of a positive conclusion of talks between Iraq and Turkey to discuss several issues including the resumption of oil exports through the Ceyhan pipeline in the Turkish Mediterranean,” added Phil Flynn.

By Debarati Bhattacharjee and Aparupa Mazumder

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