

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Bunker benchmarks in the Americas ports have taken mixed directions, and Tropical Storm Idalia is posing a threat to vessels around Florida's west coast.

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

- **VLSFO prices up in Los Angeles and New York (\$3/mt), and down in Zona Comun (\$7/mt), Houston and Balboa (\$1/mt)**
- **LSMGO prices up in Balboa (\$16/mt) and Houston (\$2/mt), and down in Los Angeles (\$64/mt) and Zona Comun (\$34/mt)**
- **HSFO prices up in Houston (\$4/mt), unchanged in Los Angeles, and down in Balboa (\$7/mt) and New York (\$2/mt)**

Los Angeles' LSMGO price has dropped heavily compared to Zona Comun's LSMGO benchmark over the weekend. This has flipped Los Angeles' rare \$14/mt LSMGO premium over Zona Comun, to a \$16/mt discount now.

Meanwhile, Balboa's LSMGO price has gained the most since Friday and is currently trading at its highest level since January. The price changes have significantly narrowed Los Angeles' LSMGO price premium over Balboa from \$134/mt on Friday, to \$54/mt now.

Bunkering operations in Bahamas' Freeport could be suspended between Wednesday and Thursday due to strong wind gusts of up to 38 knots.

Tropical Storm Idalia is projected to hit Florida's west coast tomorrow, according to the US National Hurricane Center (NWS). Bunker deliveries are likely to be suspended in Port of Tampa and Port Canaveral, which are in the direct path of Idalia.

Brent

The front-month ICE Brent has gained by \$1.71/bbl on the day from Friday, to trade at \$84.39/bbl at 08.00 CDT (13.00 GMT) today.

Upward pressure:

Eric Nuttall, oil market investor and partner at Ninepoint Partners, has said that the US is turning a blind eye towards enforcement of sanctions on Iran to lower oil prices before the next election. However, global crude oil inventories are still expected to end 2023 at an "8+ year low, supportive of a HIGHER oil price," he wrote in a recent social media post.

Turkish and Iraqi officials are reportedly discussing resuming oil supply from Iraq's Kurdistan-operated northern oil fields. However, neither side has provided an update on the negotiations, and they appear to be stalled.

Downward pressure:

US Federal Reserve (Fed) chair Jerome Powell and European Central Bank (ECB) president Christine Lagarde held hawkish views at the Jackson Hole summit in Wyoming that left little room for debate. They pledged to keep interest rates as high as possible for as long as it takes to keep inflation below the 2% target in the US and in the Eurozone.

Higher interest rates discourage borrowing and spending, which leads to a decline in economic activity and fuel demand.

Prospects of easing supply constraints could cap Brent's gains.

White House officials are drafting a proposal to relax sanctions on Venezuela's oil sector, according to Reuters. The easing of sanctions would make it easier for foreign buyers to access Venezuelan oil and flood the market with excess supply. Venezuela produced around 844,000 b/d of oil in July and 2.9 million b/d during its peak production in 2015.

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