

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly gained with Brent, especially LSMGO prices which have shot up in certain ports.

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

- **VLSFO prices up in Houston (\$6/mt), Balboa (\$5/mt) and Zona Comun (\$2/mt)**
- **LSMGO prices up in New York (\$76/mt), Los Angeles (\$32/mt), Houston (\$21/mt) and Balboa (\$3/mt), and down in Zona Comun (\$9/mt)**
- **HSFO prices up in Houston (\$6/mt) and Balboa (\$3/mt), and down in Los Angeles (\$57/mt)**

New York's LSMGO price has jumped the most, with support from a higher-priced LSMGO stem fixed in the past day. The benchmark is currently trading at its highest level since February.

Meanwhile, Zona Comun's LSMGO price has countered Brent's movement to fall marginally in the past day. These price changes have nearly halved Zona Comun's LSMGO price premium over New York, from \$112/mt to \$68/mt.

Los Angeles' HSFO price has also dipped steeply since yesterday. Houston's HSFO benchmark gained, to flip its \$39/mt HSFO discount to Los Angeles, to a \$24/mt premium now.

Tropical Storm Idalia strengthened into a hurricane today. It is expected to become a Category 3 hurricane before it hits Florida's west coast later today, according to the US National Hurricane Center (NHC).

All operations in the Port of Tampa have been suspended since yesterday and the ports of Savannah and Charleston are expected to be closed tomorrow, a source says. Heavy rains and flash floods are expected across some areas on the west coast of Florida, the NHC said.

Brent

The front-month ICE Brent has gained by \$0.34/bbl on the day, to trade at \$84.73/bbl at 08.00 CDT (13.00 GMT) today.

Upward pressure:

Energy-focused investment research firm HFI Research has projected higher oil prices in the near future.

“The oil market deficit is here. Storage draws over the coming weeks will be profoundly eye-opening,” HFI Research has explained, and “Iran is already back on the market leaving no supply-side surprise.” In addition, “global oil demand, while not as strong as we would like, continues to improve and has not disappointed to the downside.”

Oil market sentiment could be bolstered by rising jet fuel demand in China, according to ANZ commodity strategist Daniel Hynes.

“China’s weekly flights have surged 13% above pre-COVID levels in the week ending 20 August. International travel is picking up, with bookings for overseas group tours during National Day holiday in October more than tripled a month ago,” Hynes has written in a social media post.

Downward pressure:

A sharp rise in Brent futures has been restricted by the possibility of additional crude oil supplies from Venezuela, Iran and Iraq.

“Recent shifts in the supply landscape underscore a less optimistic perspective on the trajectory of crude oil prices. Despite certain positive aspects, significant challenges and uncertainties persist,” said Stephen Innes, managing partner at SPI Asset Management.

Brent is also facing headwinds due to concerns about economic uncertainty in China and recent statements from the US and European central bankers, who supported higher borrowing rates to tackle inflation.

Investment bank Nomura has lowered its projection for China’s GDP growth and inflation amid growing risk of a “double dip” in the country's economy, and “Beijing’s tepid response to date,” Nomura’s chief China economist, Ting Lu wrote in a research note.

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