

# MARKET UPDATE EAST OF SUEZ

ENGINE



## ENGINE: East of Suez Physical Bunker Market Update

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Most bunker prices have declined in East of Suez ports, and availability remains good across all grades in Zhoushan.

Changes on the day to 17.00 SGT (09.00 GMT) today:

- **VLSFO prices up in Zhoushan (\$3/mt), and down in Singapore (\$13/mt) and Fujairah (\$12/mt)**
- **LSMGO prices down in Fujairah and Zhoushan (\$8/mt), and Singapore (\$4/mt),**
- **HSFO380 prices down in Singapore (\$15/mt), Zhoushan (\$9/mt) and Fujairah (\$4/mt)**

Most bunker benchmarks in major Asian bunker hubs have tracked Brent's fall and declined in the past day.

Zhoushan's VLSFO price has moved counter to the general market direction and gained by \$3/mt. Three VLSFO stems were fixed in Zhoushan in the past day in a range of \$33/mt, with one stem at the higher end of the range supporting the benchmark's resistance against Brent's downward pull.

Despite Zhoushan's VLSFO price gain, the port's VLSFO discounts to Singapore and Fujairah stand at \$12/mt and \$9/mt, respectively.

Availability across all grades remains good in the Chinese bunkering hub, with most suppliers recommending lead times of 2-5 days – virtually unchanged from last week.

Meanwhile, prompt availability of all grades remains tight in Fujairah amid decent demand. Several suppliers are advising unchanged lead times of 5-7 days. But some can offer prompt dates across all grades subject to stem size, a source says.

Lead times of 5-7 days are recommended for all grades in the other UAE port of Khor Fakkan – almost unchanged from last week.

## **Brent**

The front-month ICE Brent contract has shed \$1.47/bbl on the day, to \$86.39/bbl at 17.00 SGT (09.00 GMT).

### **Upward pressure:**

Brent futures gained some upward momentum after the Organization of the Petroleum Exporting Countries (OPEC) released its flagship monthly oil market report. The oil producer group has forecast global oil demand to grow by 2.4 million b/d, broadly unchanged from its earlier projection.

The core 13 OPEC member countries produced 27.31 million b/d of crude oil in July, down 836,000 b/d from the previous month.

Additionally, the International Energy Agency (IEA) has forecast global oil demand to grow by 2.2 million b/d to 102.2 million b/d in 2023, with China accounting for more than 70% of growth.

### **Downward pressure:**

Downward pressures acting on Brent this week include recent Chinese import data for the month of July.

China's total crude oil imports in July were about 43.69 million mt, a dip of 18.8% from June, reported market intelligence provider JLC, citing data released by China's General Administration of Customs (GACC).

Concerns about demand growth in the world's largest oil importer have kept a lid on rise in Brent futures.

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