

MARKET UPDATE EUROPE & AFRICA



ENGINE: Europe & Africa Bunker Fuel Market Update

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Regional bunker benchmarks have moved in mixed directions, and bunkering has resumed in Algoa Bay amid conducive weather.

Changes on the day to 09.00 GMT today:

- **VLSFO prices down in Gibraltar (\$14/mt), Rotterdam (\$9/mt) and Durban (\$7/mt)**
- **LSMGO prices up in Gibraltar and Durban (\$17/mt), and Rotterdam (\$5/mt)**
- **HSFO prices up in Gibraltar (\$7/mt), and down in Rotterdam (\$4/mt)**

Gibraltar's VLSFO price drop has outpaced that of Rotterdam, to narrow its premium over Rotterdam's VLSFO by \$5/mt to just \$12/mt now. A lower-priced VLSFO stem fixed in Gibraltar in the past day has added more downward price pressure.

Meanwhile, the port's HSFO price has gained slightly, aided by a higher-priced HSFO stem fixed at \$580/mt yesterday. The price gain has further narrowed Gibraltar's rare discount to Rotterdam's HSFO from \$20/mt in the past day, to \$9/mt now.

In Gibraltar, around five stems have been recorded by ENGINE since Monday, slightly up from four in the previous week. The majority of these stems have been for HSFO and LSMGO. Congestion has also eased in Gibraltar today, with six vessels waiting for bunkers there, down from eight yesterday, port agent MH Bland says.

Rotterdam's HSFO price has been indicated at around \$580/mt today, down from indications of \$600-611/mt seen in the past day, a source says. The grade's offer price has come down slightly tracking downward movement in Brent futures.

Bunkering has resumed in Algoa Bay today after being suspended yesterday due to bad weather conditions, according to Rennie's Ships Agency. Five vessels are currently receiving bunkers at anchorage, while four vessels are held up waiting, Rennie's says.

Brent

The front-month ICE Brent contract has shed \$1.47/bbl on the day, to \$86.39/bbl at 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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