

# MARKET UPDATE AMERICAS



## ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly gained with Brent, and bad weather could disrupt Zona Comun bunkering later today.

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

- **VLSFO prices up in Zona Comun (\$29/mt), Balboa, Los Angeles and New York (\$6/mt), and Houston (\$3/mt)**
- **LSMGO prices up in Houston (\$21/mt), Los Angeles and Zona Comun (\$10/mt) and New York (\$9/mt), and unchanged in Balboa**
- **HSFO prices down in Houston and New York (\$6/mt), Los Angeles (\$5/mt) and Balboa (\$2/mt)**

Houston's LSMGO price has gained the most with support from two higher-priced LSMGO stem fixed in the past day.

Meanwhile, Balboa's LSMGO price remained unchanged, to narrow its LSMGO premium over Houston from \$48/mt yesterday, to \$27/mt now.

Zona Comun's VLSFO benchmark increased significantly compared to Los Angeles' VLSFO in the past day, causing a reversal of Zona Comun's \$4/mt VLSFO discount to Los Angeles, to a \$19/mt premium now.

Los Angeles' LSMGO price has gained another \$10/mt and is currently trading at a massive premium over other regional ports. The port's Benchmark is trading at its highest level since October last year.

Currently, bunkering is running normally in Argentina's Zona Comun anchorage. But wind gusts of up to 37 knots are forecast to hit the region from today evening, which could cause prolonged delays and disruptions, a source says.

## **Brent**

The front-month ICE Brent contract has gained \$0.80/bbl on the day, to trade at \$93.19/bbl at 08.00 CDT (13.00 GMT) today.

### **Upward pressure:**

Saudi Arabia and Russia's decision to extend supply cuts through the end of 2023 have helped Brent futures to gain this week.

"As long as OPEC+ is committed to export and production curtailments, oil prices will remain firm during the current levels of record demand," said SPI Asset Management's managing partner Stephen Innes.

Recent surge in oil prices also suggests that "the latest efforts of Saudi Arabia and Russia are working in tightening the markets and boosting prices after multiple failed efforts," said OANDA's market analyst Craig Erlam.

Additionally, the International Energy Agency (IEA) has forecast global oil demand to grow by 2.20 million b/d to 101.8 million b/d in 2023 due to strong consumption in China, and higher jet fuel demand.

### **Downward pressure:**

Downward pressures acting on Brent futures today include news that Libya has resumed oil supply from its four major ports, which were closed since Saturday after being hit by floods due to Hurricane Danielle

The four ports situated in Eastern Libya resumed operations on Wednesday, Reuters reported, citing port agent Al Omran International Maritime Agencies.

Moreover, US core inflation rose 8 basis-points above the market consensus in August, Innes said. A higher-than-expected inflation reading has triggered concerns about yet another interest rate hike by the US Federal Reserve (Fed).

"The CPI (Consumer Price Index) report adds some uncertainty about its [Fed's] November decision, especially with OPEC+ leaders possibly targeting Brent prices very much at the upper end of or slightly above, the \$80-100/bbl range," Innes said. ering later today.

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