

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly gained with Brent, and bunkering has resumed in Zona Comun after being halted by rough weather since Monday.

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

- **VLSFO prices up in New York, Los Angeles and Zona Comun (\$2/mt), and down in Balboa (\$5/mt) and Houston (\$4/mt)**
- **LSMGO prices up in Balboa (\$17/mt), Houston (\$3/mt), New York, Los Angeles and Zona Comun (\$2/mt)**
- **HSFO prices up in Los Angeles and New York (\$1/mt), and down in Balboa (\$5/mt) and Houston (\$3/mt)**

Balboa's LSMGO price has gained the most in the past day, while New York's LSMGO price has had a smaller gain. This has widened Balboa's LSMGO price premium over New York from \$8/mt, to \$23/mt now.

Meanwhile, Balboa's VLSFO price has dropped in the past day with pressure from a lower-priced stem. New York's VLSFO price has gained marginally with Brent, to flip the port's \$5/mt VLSFO discount to New York, to a \$2/mt premium now.

Bunkering has resumed in Argentina's Zona Comun anchorage this morning after being suspended due to rough weather conditions since Monday. But wind gusts of up to 32 knots are forecast to hit the region from tomorrow again, which could cause prolonged delays and disruptions, a source says.

Availability of bunker fuel is extremely tight in the region and most suppliers are only able to offer stems after the first week of October.

Brent

The front-month ICE Brent contract gained \$0.41/bbl on the day, to trade at \$93.86/bbl at 08.00 CDT (13.00 GMT) today.

Upward pressure:

Brent futures felt some upward pressure after the US Energy Information Administration (EIA) reported a decrease of 2.14 million bbls in commercial US crude inventories in the week that ended 15 September.

The weekly crude stock draw was mainly due to strong oil exports, the EIA said in its weekly report. The current crude inventory levels in the US stand at 418.47 million bbls, according to the latest figures released by the EIA.

“Brent is still trading well above \$90/bbl and a tightening balance suggests that there is still more upside,” said analysts at ING.

Downward pressure:

The recent surge in Brent futures has been capped amid concerns that the US Federal Reserve’s (Fed) could hike interest rates in future.

The US Fed kept its interest rates unchanged during the two-day-long Federal Open Market Committee (FOMC) meeting on 19-20 September. However, oil market analysts have perceived this move as a hawkish pause, leaving room for future rate hikes.

“The Fed kept rates unchanged at yesterday’s FOMC meeting as widely expected. However, it was still seen as a hawkish pause, which put some pressure on risk assets,” which includes oil, said ING’s head of commodities strategy Warren Patterson.

By Debarati Bhattacharjee and Aparupa Mazumder

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