

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Most benchmarks have dropped across Americas ports again, and bad weather could disrupt GOLA bunkering later today.

Changes on the day, to 07.00 CST (13.00 GMT) today:

- **VLSFO prices down in New York (\$10/mt), Zona Comun (\$8/mt), Houston and Balboa (\$7/mt)**
- **LSMGO prices down in Houston (\$22/mt), Balboa (\$14/mt) and New York (\$13/mt)**
- **HSFO prices up in Houston (\$5/mt), and down in New York (\$21/mt) and Balboa (\$9/mt)**

Houston's LSMGO price has dropped sharply than other ports with pressure from a lower-priced stem. This has widened the port's LSMGO discounts to New York and Balboa from \$67/mt and \$78/mt, respectively, to \$76/mt and \$86/mt.

HSFO prices in New York and Balboa have declined, while Houston's HSFO price has countered Brent's downward movement and gained marginally. This has widened Houston's HSFO premium over Balboa from \$8/mt to \$22/mt, and narrowed its discount to New York from \$62/mt, to \$36/mt.

Securing HSFO stems for prompt dates in Houston can be difficult. A lead time of 6-7 dates is generally recommended. VLSFO and LSMGO stems can be secured within 3-5 days.

Currently, bunkering is proceeding normally in the Galveston Offshore Lightering Area (GOLA). However, bad weather conditions are forecast intermittently throughout the week, which could trigger suspension or disrupt deliveries in the region.

Brent

The front-month ICE Brent contract has inched lower by \$0.21/bbl on the day, to \$90.50/bbl at 07.00 CST (13.00 GMT).

Upward pressure:

Oil traders are looking out for fresh cues about market supply from the Joint Ministerial Monitoring Committee (JMMC) meeting convened by the members of the Organization of the Petroleum Exporting Countries and its allies (OPEC+).

Analysts expect OPEC+ producers to continue their oil production cuts to keep supplies tight in the global market.

Moreover, OPEC's secretary general Haitham Al Ghais told the BBC in an interview yesterday that global oil demand is expected to grow by around 2.4 million b/d in 2023.

Brent futures gained more support after the American Petroleum Institute (API) reported a drop in US crude oil stocks. US commercial crude inventories dropped by 4.21 million bbls in the week ended 29 September, according to the API data cited by Trading Economics.

Downward pressure:

The US Federal Reserve (Fed) chose to keep its interest rates unchanged at its latest meeting, but many market analysts believe that inflationary pressures could prompt the Fed to raise interest rates later this year.

US Fed officials will meet again in November to discuss monetary policy at the Federal Open Market Committee (FOMC) meeting.

"To prevent them [US Fed] from implementing a rate hike on November 1 [FOMC meeting], there must be continued evidence that core inflation is easing," said SPI Asset Management's managing partner Stephen Innes.

Higher interest rates increase borrowing cost for non-dollar holders, thereby hampering demand for commodities like oil.

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