

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Bunker benchmarks in the Americas ports have taken mixed directions, and bunkering has been suspended in Zona Comun and GOLLA.

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

- **VLSFO prices up in Houston (\$24/mt) and Los Angeles (\$12/mt), and down in Balboa and Zona Comun (\$5/mt)**
- **LSMGO prices up in New York (\$50/mt), Balboa (\$2/mt) and Los Angeles (\$1/mt), and down in Houston (\$2/mt)**
- **HSFO prices up in Balboa (\$11/mt), and down in Houston (\$4/mt)**

Houston has seen a jump in stems fixed in the past day. Five stems have been recorded by ENGINE since yesterday. Out of the five stems, four stems have been for LSMGO and one for VLSFO. The higher-priced VLSFO stem has contributed to pushing the port's benchmark higher.

Meanwhile, Houston's HSFO price has dropped with Brent, to widen its Hi5 spread further from \$106/mt to \$134/mt.

New York's LSMGO price has gained the most with support from a higher-priced non-prompt stem fixed in the past day. On the other hand, Los Angeles' LSMGO price has gained marginally, to narrow the price premium over New York from \$69/mt, to \$20/mt now.

Bunker operations have been suspended in Argentina's Zona Comun anchorage and in the Galveston Offshore Lightering Area (GOLLA) due to rough weather conditions. The weather is forecast to remain rough in both regions until Friday.

Brent

The front-month ICE Brent contract has lost \$0.78/bbl on the day, to trade at \$86.89/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

Brent futures remained well-supported amid growing tension between the government of Israel and Palestine-based Hamas militants.

Moreover, speculations about Iran's involvement in the Middle Eastern conflict have also sparked fears of a tighter crude oil supply in 2024 as that could trigger the US to impose stricter sanctions on Iranian oil.

"There is still a risk that this [conflict] escalates, particularly if there is any Iranian involvement," said analysts from ING bank. "Under this scenario, stronger enforcement of US sanctions on Iranian oil would tighten up the oil market through 2024," they further added.

Additionally, oil market analysts expect crude oil prices to remain elevated as OPEC+ top oil producers pledged to maintain production cuts until the end of 2023.

Downward pressure:

Brent lost the previous day's gains after Reuters reported that the US government is ready to ease sanctions on Venezuelan oil. The news eased concerns about the impending supply tightness in the global oil market.

Oil traders are now waiting for fresh cues about interest rate hike from the US Federal Reserve's meeting minutes that are scheduled to be released later today.

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