

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Bunker prices have moved in mixed directions across Americas ports, and rough weather could disrupt bunkering in GOLLA and Zona Comun again.

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

- **VLSFO prices up in Balboa (\$6/mt), and down in Balboa and Zona Comun (\$5/mt) and Houston (\$1/mt)**
- **LSMGO prices up in Zona Comun (\$66/mt), Los Angeles (\$26/mt), Houston (\$11/mt), Balboa (\$8/mt) and New York (\$6/mt)**
- **HSFO prices up in Houston (\$6/mt), and down in Balboa (\$9/mt)**

Zona Comun's LSMGO price has gained the most in the past day, while the LSMGO price in Los Angeles has risen moderately. This has widened Zona Comun's LSMGO premium over Los Angeles from \$32/mt to \$72/mt.

Los Angeles' LSMGO price has dropped by \$54/mt over the past week, partly due to low demand for the grade in the West Coast port. LSMGO availability has been good in Los Angeles, and some suppliers are able to deliver stem within five days of lead time.

Bunker operations resumed in Zona Comun this morning after being suspended yesterday due to bad weather conditions. Strong wind gusts are forecast again over the weekend, which could trigger another suspension.

Similarly, bunker deliveries resumed in the Galveston Offshore Lightering Area (GOLA) this morning after being suspended for a day due to strong wind gusts. Conditions are forecast to deteriorate again from Saturday onwards, which could trigger suspension.

Brent

The front-month ICE Brent contract gained \$0.28/bbl on the day, to trade at \$87.17/bbl at 07.00 CST (13.00 GMT).

Upward pressure:

Brent futures gained some upward support this week on reports that crude oil supply in the global market will remain tight this year.

The global oil market is expected to remain tight through the end of 2023 and in the first quarter of 2024, the US Energy Information Administration (EIA) said in its October short-term energy report.

The EIA has forecast global oil inventories to fall by 200,000 b/d in the remainder of the year due to the OPEC+ nations' pledge to continue supply cuts. The energy agency has forecast Brent spot price to average \$95/bbl in 2024, indicating an upward revision of \$7/bbl from its September outlook.

"We expect OPEC+ members will decrease their crude oil production by 0.3 million b/d [300,000 b/d] in 2024 compared with this year," the energy watchdog said.

Downward pressure:

Brent futures extended losses after the American Petroleum Institute (API) reported a surprise build in US crude stocks. US commercial crude inventories soared by 12.94 million bbls in the week ended 6 October, according to the API data cited by Trading Economics.

"Lower refinery run rates due to maintenance likely contributed to this [US inventory] build," said oil market analysts from ING Bank. The more widely followed EIA report will be released later today.

Meanwhile, Iran's supreme leader Ali Khamenei has denied any Iranian involvement in the attacks planted by Hamas on Israel. According to oil market analysts, the US may not impose stricter sanctions on Iran if the country does not get involved in the ongoing conflict in the Middle East.

"Reports that the Iranian government was surprised by the Hamas attack may also ease concern that the US will enforce sanctions against Iran more aggressively," ING's analysts further added.

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