

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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HSFO availability remains tight in New York, and several Brazilian ports have good bunker fuel availability.

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

- **VLSFO prices up in Balboa (\$3/mt), and down in Houston (\$15/mt), Zona Comun (\$13/mt) and Los Angeles (\$9/mt)**
- **LSMGO prices up in Houston (\$13/mt), New York (\$7/mt) and Balboa (\$6/mt)**
- **HSFO prices up in New York (\$9/mt), and down in Houston (\$25/mt) and Balboa (\$2/mt)**

Houston's HSFO price has come sharply in the past day. A non-prompt 500-1,500 mt HSFO stem fixed at \$522/mt last night has dragged its benchmark lower. It is still priced \$15/mt higher than off Corpus Christi.

The HSFO price in New York has moved slightly up. Securing the high-sulphur grade in the East Coast port can be difficult, primarily because fewer suppliers offer the grade there, a source says. HSFO is priced \$37/mt higher in New York than in Houston.

All grades remain in normal availability in the Houston area. Some suppliers can supply the grades for prompt delivery dates, a source says.

Several Brazilian ports have good bunker fuel availability. One supplier can supply VLSFO in Itaquí tomorrow, and with four days of lead time in Salvador and Rio Grande.

Zona Comun continues to price its VLSFO competitively. It is mostly at discounts to several Brazilian ports, including Rio Grande, Itaquí and Salvador. But its premium over Santos' VLSFO stands at \$14/mt.

Brent

The front-month ICE Brent contract has shed \$1.05/bbl on the day, to \$89.85/bbl at 07.00 CST (13.00 GMT).

Upward pressure:

Limited crude oil supply in the global oil market due to extended production cuts from the top OPEC+ producers Saudi Arabia and Russia have supported Brent futures in recent days.

In its flagship monthly oil market report, OPEC said that it sees world oil demand to grow by 2.40 million b/d in 2023.

Meanwhile, Russia's deputy prime minister Alexander Novak expects oil prices to settle at \$100/bbl by 2035, Russian state media agency TASS reported.

"Prices were about \$100 [\$100/bbl] in 2013 or 2012. We are now living in 2023 and they are close to this level," TASS quoted the minister as saying in an interview with Soloviev Live TV channel. "If prolonging [until 2035] this will be more or less close to \$100 [\$100/bbl] from the standpoint of mathematics," Novak said.

Downward pressure:

Brent futures came under pressure after several media reports suggested that the US government will likely ease sanctions on Venezuela. This could restart the supply of Venezuelan oil in the global market.

Venezuela's government and the opposition party are working to resume discussions on the subject, which could lead the US government to ease sanctions on Venezuelan oil, Reuters reported citing multiple sources. The US government will ease certain Venezuelan sanctions in return for democratic concessions from the country's President Nicolas Maduro.

"The Biden administration will likely ease sanctions on Venezuelan oil exports in exchange for Venezuela's commitment to restarting democratic processes," commented SPI Asset Management's managing partner Stephen Innes.

Numerous challenges in the past including the impoverished state of Venezuela's oil infrastructure, a lack of stable electricity supply, and scarcity of employees have made it difficult to ramp up oil production in the country, Innes said.

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