

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly gained with Brent, and bad weather could disrupt Zona Comun bunkering later today.

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

- **VLSFO prices up in Houston (\$12/mt), Balboa (\$10/mt) and Los Angeles (\$5/mt), and down in Zona Comun (\$3/mt)**
- **LSMGO prices up in Zona Comun (\$42/mt), Balboa (\$19/mt), Houston (\$14/mt) and New York (\$1/mt)**
- **HSFO prices up in Balboa (\$19/mt), Houston (\$16/mt) and New York (\$2/mt)**

Zona Comun's VLSFO price has countered Brent's upward movement and fell marginally in the past day. Meanwhile, Houston's VLSFO price has gained, with support from several firm offers at higher levels. This has narrowed Zona Comun's VLSFO price premium over Houston from \$60/mt, to \$45/mt.

Zona Comun's LSMGO price has again gained heavily in the past day to trade at its highest level since April. The port's LSMGO price is now trading at hefty premiums of more than \$200/mt over Los Angeles, New York, Balboa and Houston.

Bunkering is currently proceeding normally at the Zona Comun anchorage. But wind gusts of up to 32 knots are expected to hit Zona Comun later today, which could intermittently disrupt bunker deliveries until Saturday. Some suppliers will attempt to deliver stems as and when the weather permits, sources say.

VLSFO and LSMGO availability is very tight for deliveries at Argentina's Zona Comun anchorage.

Brent

The front-month ICE Brent contract has jumped \$1.19/bbl on the day, to trade at \$91.04/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

Brent futures erased the previous day's losses as tension intensified in the Middle East after a massive explosion at a hospital in Gaza killed hundreds of civilians. The attack has raised concerns about oil supply disruptions from the region.

Following the blast, Jordan's officials cancelled a summit that was to be hosted in Amman today, where US President Joe Biden and other Egyptian and Palestinian leaders were to discuss the ongoing conflict in the Middle East.

Oil prices remained supported during the Asian trading hours "as fears grow over the conflict between Israel and Hamas," two analysts from ING Bank said.

Besides, US commercial crude inventories showed a decline of 4.38 million bbls in the week ended 13 October, according to the American Petroleum Institute (API) data cited by Trading Economics. API's estimates provided additional support to Brent futures.

Downward pressure:

Venezuela's government and the opposition party have agreed to host elections in the country in the second half of 2024, granting its citizens democratic rights. The decision has paved the way for the US to ease some of its sanctions on Venezuela, including the inflow of Venezuelan oil in the market again.

This news has eased some concerns about supply tightness in the global market.

Meanwhile, oil market analysts remain concerned about yet another interest rate hike by the US Federal Reserve (Fed) in the fourth quarter of 2023 in a bid to tame inflation.

Higher interest rates influence consumer spending and have an adverse effect on demand for dollar-denominated commodities like oil.

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