

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly dropped with Brent, and Zona Comun could face weather disruptions again.

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

- **VLSFO prices up in Los Angeles (\$6/mt), and down in Houston (\$6/mt), New York (\$5/mt), Balboa (\$4/mt) and Zona Comun (\$1/mt)**
- **LSMGO prices down in Houston (\$12/mt), Los Angeles, New York and Balboa (\$7/mt)**
- **HSFO prices down in New York (\$22/mt), Houston (\$5/mt), Balboa (\$4/mt) and Los Angeles (\$3/mt)**

New York's HSFO price has dropped heavily in the past day under pressure from a lower-priced 150-500 mt stem. Meanwhile, the port's VLSFO price has fallen marginally, to widen its Hi5 spread further, from \$128/mt yesterday, to \$145/mt now.

Los Angeles' Hi5 spread has also widened by \$9/mt since yesterday, as the port's VLSFO price has run counter to the general market directions and gained with support from a firm offer at a higher level. Los Angeles' VLSFO price is now trading at a premium over other major Americas ports.

Availability of all grades is extremely tight in the West Coast ports of Los Angeles and Long Beach. One supplier is only able to offer VLSFO and LSMGO stems in Los Angeles with a lead time of more than nine days.

Strong wind gusts ranging between 26-34 knots are forecast to hit Zona Comun from this evening onwards, which could cause prolonged delays and disruptions, a source says. Rough weather conditions are forecast to persist throughout next week.

Brent

The front-month ICE Brent contract has declined \$0.59/bbl on the day, to trade at \$90.45/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

The conflict between Israel and the Hamas militant group has continued to raise concerns about a supply crunch in the global oil market.

Voluntary supply cuts from top OPEC+ producers coupled with growing tensions in the Middle East have helped Brent futures to gain this week. Iran has called on Islamic countries to impose an oil embargo on Israel, after more than 500 people got killed in an air strike in central Gaza.

“While the explosion was quickly blamed on an Israeli strike, both Israel and the US Pentagon have since said that a militant group was responsible for the explosion,” said market analysts from ING Bank.

Meanwhile, commercial US crude inventories fell by 4.5 million bbls on the week, to 419.75 million bbls on 13 October, recent data from the US Energy Information Administration (EIA) showed.

The weekly stock draw was slightly bigger than the 4.38 million bbls drop projected by the American Petroleum Institute (API) a day earlier.

Downward pressure:

Brent futures lost after gaining in the previous session as supply concerns eased after the US government said it will provide “limited sanctions relief,” in the Venezuelan oil and gas sector.

The US government’s decision came after Venezuela’s government led by President Nicolas Maduro, and its opposition party reached a consensus on holding presidential elections in the second half of 2024.

The US government has issued a six-month general license to produce, sell, and export Venezuelan crude and gas to selected markets without limitations, Reuters reported.

Meanwhile, the Organization of the Petroleum Exporting Countries (OPEC) and its allies have no plans to take any immediate action on Iran’s call to impose an oil embargo on Israel, Reuters reported citing a source familiar with the matter.

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