

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Bunker prices in the Americas have declined with Brent values, and bunker operations have been suspended in Argentina's Zona Comun anchorage due to rough weather conditions.

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

- **VLSFO prices down in Los Angeles (\$26/mt), Zona Comun (\$16/mt), New York (\$15/mt), Houston and Balboa (\$7/mt)**
- **LSMGO prices up in Balboa (\$10/mt), and down in Houston (\$37/mt), New York (\$30/mt), Los Angeles (\$25/mt) and Zona Comun (\$17/mt)**
- **HSFO prices down in Houston (\$23/mt), Los Angeles (\$21/mt), Balboa (\$17/mt) and New York (\$4/mt)**

Balboa's LSMGO benchmark has defied general market direction and gained over the weekend. One higher-priced 50-150 mt LSMGO stem with non-prompt delivery has contributed to keep the port's benchmark elevated.

Meanwhile, Houston and New York's LSMGO prices have fallen heavily with Brent. The price moves have flipped their LSMGO price premiums over Balboa, to discounts of \$36/mt and \$25/mt, respectively.

Houston's HSFO price has dropped heavily over the weekend compared to New York's modest drop. This has resulted in flipping New York's HSFO price discount of \$10/mt to Houston on Friday, to a \$9/mt premium now.

Bunker operations have been suspended in Argentina's Zona Comun anchorage due to strong wind gusts. Rough weather conditions are forecast to persist until tomorrow evening, which could cause prolonged delays and disrupt bunkering.

Currently, bunkering is proceeding normally in the Galveston Offshore Lightering Area (GOLA). Wind gusts of up to 32 knots are forecast for later today and could trigger bunker suspension. High winds are forecast until Friday, which could cause more delays and disruptions.

Brent

The front-month ICE Brent contract has dropped by \$1.60/bbl on the day from Friday, to trade at \$91.81/bbl at 07.00 CST (13.00 GMT).

Upward pressure:

Brent futures remained above the \$90/bbl mark as concerns about tight supply in 2024 continued to keep the oil investors nervous.

Brent prices have been supported in the past couple of weeks due to growing tension in the Middle East. Currently, concerns about a direct Israel-Hamas conflict due to Israel's potential ground operation in Gaza have the oil markets' attention, analysts said.

"Markets remain nervous about developments in the Middle East," said ING Bank's senior commodities analyst Ewa Mathews. "Clearly, price direction in the short term will be largely influenced by how the situation in the region evolves," she further added.

The oil market will also closely follow comments from world leaders who have visited Israel in recent weeks. US President Joe Biden, Italy's Prime Minister Giorgia Meloni, and UK Prime Minister Rishi Sunak have already met Israel's Prime Minister Benjamin Netanyahu last week. Leaders from France and the Netherlands will visit Israel later this week.

Downward pressure:

Brent futures came under pressure after the US government lifted some sanctions on Venezuelan oil last week. The US granted partial relief to Venezuela after the country's government and opposition agreed to settle political feuds and host a fair presidential election next year.

Besides, geopolitical ties between international allies and diplomatic moves to contain the Israel-Hamas conflict have prevented OPEC from imposing an oil embargo on Israel.

Iran's government blamed Israel for bombing a hospital in Central Gaza and urged Arab countries to put an oil embargo on Israel.

Meanwhile, Israel has denied the charges and blamed Hamas militants for the blast instead.

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