

MARKET UPDATE EUROPE & AFRICA



ENGINE: Europe & Africa Bunker Fuel Market Update

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HSFO availability remains tight in the ARA, and congestion has increased in Gibraltar amid adverse weather conditions.

Changes on the day to 09.00 GMT today:

- **VLSFO prices up in Durban (\$57/mt), Gibraltar (\$30/mt) and Rotterdam (\$23/mt)**
- **LSMGO prices up in Durban (\$86/mt), Gibraltar (\$40/mt) and Rotterdam (\$18/mt)**
- **HSFO prices up in Gibraltar (\$28/mt) and Rotterdam (\$19/mt)**

Bunker benchmarks in key European and African ports have gained, to reverse some of the losses made in the previous session. LSMGO price gain in Durban has been greater than the other two ports, aided by a higher priced indication in the past day.

Gibraltar's HSFO price gain has outpaced that of Rotterdam. One non-prompt 150-500 mt HSFO stem fixed at \$596/mt yesterday has pushed the port's benchmark higher. The grade is priced \$57/mt higher than Rotterdam's HSFO.

Meanwhile, prompt HSFO availability remains very tight in Rotterdam and in the wider ARA hub.

LSMGO price gain in Rotterdam has been relatively modest compared to the other two ports. Two lower-priced LSMGO stems fixed at \$879/mt in the port yesterday have partly capped gains.

Gibraltar is experiencing wind gusts of up to 20 knots and waves of up to two meters. Some suppliers have suspended bunker operations due to adverse weather conditions. Congestion has been reported in Gibraltar today, where eight vessels are currently waiting to bunker, according to port agent MH Bland.

One supplier is experiencing delays of 4-8 hours there, MH Bland says. Bunkering could resume tomorrow, when calmer weather is forecast.

Brent

The front-month ICE Brent contract has surged \$3.85/bbl on the day, to trade at \$93.66/bbl at 09.00 GMT.

Upward pressure:

Rising tension in the Middle East has taken center stage once again, igniting fears about supply disruption in the global oil market after protests broke out in Lebanon, Iraq, Turkey, Iran, and Jordan in response to the fatal missile attack on the Al-Ahli Baptist Hospital located in Central Gaza. More than 500 civilians got killed in the attack on Tuesday.

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

Meanwhile, oil analysts are speculating that the US government might put tighter sanctions on Iran if proven that the Iranian government funded Hamas and helped the militant group to plan the attack on Israel.

"There is bipartisan pressure to shut down Iranian oil exports," said Price Futures Group's senior market analyst Phil Flynn. "That may be why Iran desperately called for an oil embargo because they know the world may soon shut them down," he further added.

Downward pressure:

Meanwhile, Iran's request for an immediate oil embargo was turned down by top oil producers group OPEC and its allies (OPEC+). Chances of OPEC acting on the call for oil embargo is scarce, analysts said.

Additionally, the US Department of State lifted partial sanctions on Venezuelan oil yesterday, after the country's government and opposition decided to host presidential elections in Venezuela in 2024.

"The market is reacting sharply to the news that the Venezuelan oil exports have been lifted," Flynn said. "It's a good thing if you want to help fix the global tightness of diesel supply," he further added.

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