

# MARKET UPDATE AMERICAS



## ENGINE: Americas Bunker Fuel Market Update

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Regional bunker prices have mostly increased, and bunker operations have resumed in GOLA amid calmer weather.

Changes on the day to 17.00 SGT (09.00 GMT) today:

- **VLSFO prices up in New York (\$28/mt), Los Angeles and Zona Comun (\$4/mt), Balboa and Houston (\$3/mt)**
- **LSMGO prices up in New York (\$71/mt), Zona Comun (\$6/mt), Los Angeles and Balboa (\$5/mt) and Houston (\$1/mt)**
- **HSFO prices up in New York (\$3/mt), Los Angeles and Balboa (\$2/mt), and down in Houston (\$1/mt)**

New York's LSMGO price has jumped the most, finding support from a higher-priced LSMGO stem fixed in the past day. By comparison, Los Angeles' LSMGO benchmark has gained marginally, to flip the port's LSMGO price premium of \$18/mt over New York, to a discount of \$48/mt now – for the first time since June.

Similarly, New York's VLSFO price has gained more than the VLSFO benchmarks in other ports since yesterday. This has narrowed New York's VLSFO price discounts to Los Angeles and Zona Comun from \$5/mt and \$10/mt, to \$29/mt and \$34/mt, respectively.

Bunker deliveries resumed in the Galveston Offshore Lightering Area (GOLA) today after having been suspended by strong wind gusts since Monday. Suppliers are now working to clear backlogs from recent disruptions.

Bunkering remains suspended in Zona Comun, as strong wind gusts are making deliveries difficult. Calmer weather is forecast from tomorrow evening onwards and could allow bunker operations to resume at the anchorage.

## **Brent**

The front-month ICE Brent contract has gained \$0.16/bbl on the day, to trade at \$85.79/bbl at 17.00 SGT (09.00 GMT).

### **Upward pressure:**

Brent futures remained supported amid rising angst in the Middle East. Iran's Supreme Leader Ayatollah Khamenei has urged neighbouring Arab countries to immediately cease essential exports including oil and food to Israel, state-owned media agency IRNA reported.

The Islamic governments "must immediately stop the [Israeli] bombing of Gaza and block the export of oil and food to the Zionist regime," IRNA quoted Khamenei as saying.

Brent gained additional support after the US Federal Reserve (Fed) decided to keep interest rates at their current levels, at its Federal Open Market Committee (FOMC) meeting that concluded on Wednesday.

Oil investors largely anticipated that the US Fed would keep interest rates unchanged after "recent comments from Fed officials that higher long-term interest rates are tightening financial conditions reinforced the view they [Fed] are probably done [hiking rates]," said SPI Asset Management's managing partner Stephen Innes.

### **Downward pressure:**

Brent futures felt some downward pressure after the US Energy Information Administration (EIA) reported a growth of 773,000 bbls on the week in commercial US crude inventories, to 421.89 million bbls, on 27 October.

The weekly stock build was smaller than the 1.35 million-bbl build estimated by the American Petroleum Institute (API) on Tuesday.

Meanwhile, weak demand projections from China after an underwhelming purchasing managers' index (PMI) figure in October have also triggered concerns about a lack of global demand growth. This has kept a lid on Brent's rise.

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