

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Prices have moved up in Americas ports, and bunker operations are expected to be suspended in GOLA again over the weekend.

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

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

Bunker trading activity has slowed down into the Thanksgiving holiday in the US, and is set to pick up again from Monday, a source says.

All grades are currently in ample supply in Houston, with recommended lead times of 3-5 days. Demand for all grades has been very low in the port this week.

Bunker deliveries resumed in the Galveston Offshore Lightering Area (GOLA) yesterday after several days of rough weather and suspensions. However, conditions are forecast to deteriorate from tomorrow and deliveries are expected to be suspended again.

Bunker operations at Argentina's Zona Comun anchorage have been going ahead smoothly after weather conditions calmed. Demand for VLSFO and LSMGO has increased at the anchorage. Strong wind gusts of 25-30 knots are forecast to hit from Monday, which could hamper bunker deliveries.

Brent

The front-month ICE Brent contract has moved \$0.41/bbl higher on the day, to \$81.52/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

Brent futures contract have gained 1% over the past week, as the benchmark holds its ground amid market uncertainty.

Russian Deputy Prime Minister Alexander Novak considers the current oil price level to be an "objective reflection" of the balanced market, according to Russia's state agency TASS. OPEC+ members will discuss the output policy for next year on 30 November.

Six producers in the Gulf of Mexico have shut down 61,165 b/d of oil production following a leak from an underwater oil pipeline off the Louisiana coast, Reuters reported citing the Coast Guard. This accounts for 3% of US offshore oil production, according to Reuters. The source of the estimated 1.1-million-gallon leak (26,190 bbls) has not yet been identified.

Downward pressure

Reports of a standoff between Saudi Arabia and other OPEC members over production levels and targets have increased anxiety in the market.

Nigeria, Angola, and Congo may be involved in the disagreement since their 2024 production targets were cut earlier this year, according to Warren Patterson, ING's head of commodities strategy. Their targets for 2024 were to be reviewed by the end of this year and possibly raised as these countries wanted to increase their output levels. But the revision of targets has not happened yet, Patterson noted. Currently, Angola and Congo are producing below their previously fixed 2024 production targets. However, Nigeria has overshot its 2024 target with 1.49 million b/d output, he said.

Other OPEC members Iran, Venezuela and the UAE are also planning to ramp up their production levels in the coming months.

Although their individual output increases are likely to be modest, especially when compared to Saudi Arabia's output, their combined production increase can still add a substantial amount of crude oil to the market in the near future.

OPEC member Libya has successfully exported its first shipment of 600,000 bbls of crude oil from the Erawin oil field in the Murzuq basin, according to Libya's National Oil Corporation. Any additional supply in the market amidst concerns of oversupply can put a downward pressure on Brent.

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