

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly gained with Brent, and rough weather conditions continue to impact bunkering in Zona Comun.

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

- **VLSFO prices up in New York, Balboa and Zona Comun (\$19/mt) and Houston (\$17/mt)**
- **LSMGO prices up in Houston (\$34/mt), Los Angeles (\$25/mt), New York (\$22/mt) and Balboa (\$17/mt)**
- **HSFO prices up in Balboa (\$20/mt), New York (\$18/mt), Los Angeles (\$16/mt) and Houston (\$15/mt)**

Houston's LSMGO price has gained the most among fuel grades in major ports. It has drawn support from two higher-priced LSMGO stems fixed in the past day. Despite the gain, the port's LSMGO benchmark remains at discounts to other ports in the Americas.

Demand for VLSFO and LSMGO grades has increased in Houston this week due to a surge in firm enquiries for prompt dates, a source says. The upcoming Christmas and year-end holidays have also contributed to boost demand for shipping goods, which has tightened availability in Houston and the wider US Gulf Coast region.

There is a risk of fog and low visibility around the US Gulf Coast from Friday, which might delay ship movements through the Houston Ship Channel, a source says. As a result, some suppliers are refraining from offering stems for prompt dates in the area.

Bunker operations have remained suspended in Zona Comun today due to rough weather conditions. The anchorage area is facing strong gale-force wind gusts of up to 32 knots, and the rough weather is expected to persist until tomorrow.

Brent

The front-month ICE Brent contract has jumped \$2.43/bbl higher on the day, to trade at \$80.12/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

Brent futures have risen further after drone attacks and airstrikes by Iran-aligned Houthi militants raised crude oil supply concerns and disruption in global trade routes.

The Houthis have targeted commercial vessels in the Red Sea's key Bab al-Mandab shipping lane, blocking access to the Suez Canal. These vessels are headed towards Israel, the Yemen-based militant group has said, without providing any proof of this.

"That [Bab al-Mandab] route accounts for 12% of global seaborne trade," said Price Futures Group's senior market analyst Phil Flynn. Several oil majors and shipping companies have had to reroute their ships to avoid becoming a target in the Israel-Hamas conflict.

Opting for alternative routes to circumvent the Bab al-Mandab Strait is contributing to prolong voyages and delay shipments, which could increase the costs of various goods, Flynn commented.

Downward pressure:

Brent futures felt some downward pressure after the American Petroleum Institute (API) reported a 939,000 bbls rise in commercial US crude inventories in the week ended 15 December.

Oil market analysts expected the US crude inventories to drop by 2.23 million bbls in the week. However, weak demand indications from the world's leading oil consumer have capped Brent's price gains in recent days.

The broadly followed US government data on crude oil stockpiles from the US Energy Information Administration (EIA) is due later today.

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