ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly increased, and thick fog and reduced visibility could delay vessel traffic through the Houston Ship Channel.

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

- **VLSFO prices up in Houston ($35/mt), Zona Comun ($16/mt), New York ($13/mt) and Balboa ($5/mt)**
- **LSMGO prices up in Los Angeles ($38/mt), New York ($18/mt) and Balboa ($7/mt), and down in Houston ($8/mt)**
- **HSFO prices up in Los Angeles ($19/mt), New York ($15/mt), Houston ($9/mt) and Balboa ($3/mt)**

Houston’s VLSFO price has gained more than in other Americas ports in the past day, drawing support from two higher-priced non-prompt stems. This has flipped its VLSFO price from a $12/mt discount to New York yesterday, to a $10/mt premium now.

Securing bunker fuel in Houston and several other ports along the US Gulf Coast is difficult for prompt dates. Most suppliers are only able to offer stems in the first week of January.

Ship movements through the Houston Ship Channel may be delayed due to thick fog and low visibility around the US Gulf Coast from this evening. Bunker demand remains high in the region.

Los Angeles’ LSMGO price has gained more than in Seattle further up the North American west coast in the past day, due to higher demand in Los Angeles. This has widened Los Angeles’ LSMGO price premium over Seattle from $35/mt, to $61/mt.

Meanwhile, Vancouver's LSMGO price has shot up by more than $80/mt in the past day, flipping its discount of $7/mt to Los Angeles to a $36/mt premium now. It is harder to secure stems in Vancouver compared to other west coast ports. One of the suppliers is only offering stems for delivery from the second week of January.

Brent

The front-month ICE Brent contract has gained by $1.09/bbl on the day, to trade at $79.88/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

Brent futures have managed to hold above the $80/bbl mark this week, propped up by the Red Sea crisis and disruptions to global commodity shipping.

Oil traders are keeping a "close eye on the geopolitical risk premium, providing support for oil [Brent] prices," said SPI Asset Management's managing partner Stephen Innes.

About 12% of global oil shipments go through the Red Sea, according to the US Energy Information Administration (EIA).

Downward pressure:

Brent futures came under some downward pressure after Angola withdrew from OPEC. This move has sparked questions about the group's ability to control oil output with a consensus.

"News today that Angola is leaving OPEC is raising concerns that there might be growing pressure within the OPEC cartel to raise production," said Price Futures Group's senior market analyst Phil Flynn.

Angola's oil minister Diamantino Azevedo said OPEC and its allies, known as OPEC+, does not serve Angola's interests, Reuters reports.

"Today the concern is that Angola's departure might signal some underlying tension with the fact that the cartel is losing market share to non-OPEC producers and mainly the United States," Flynn adds.

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