ENGINE: East of Suez Physical Bunker Market Update

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Most bunker prices in East of Suez ports have remained steady, and VLSFO availability remains tight in Singapore.

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

- **VLSFO prices up in Fujairah ($2/mt), and Singapore and Zhoushan ($1/mt)**
- **LSMGO prices up in Fujairah ($11/mt), Singapore ($3/mt) and Zhoushan ($1/mt)**
- **HSFO prices up in Singapore ($9/mt), Fujairah ($2/mt) and Zhoushan ($1/mt)**

The Red Sea crisis impact is slowly reaching Singapore, causing vessels to delay arrivals and some to bunker larger quantities of fuel, a source says. VLSFO supply in Singapore remains tight, leading to extended lead times of 8-13 days. Lead times of 3-5 days and 6-10 days are advised for LSMGO and HSFO, respectively.

The Red Sea situation has prompted several shipping companies to reroute vessels or suspend their shipping operations in the area. This could hit bunker demand in Middle Eastern ports. However, bunker operations in Jeddah, Yanbu and Fujairah seem unaffected, with some shipping companies continuing to transit the Red Sea.

The Omani ports of Duqm, Salalah, Sohar and Muscat remain largely unaffected by the Red Sea crisis, with LSMGO readily available in these locations.

Brent

The front-month ICE Brent contract has inched $0.13/bbl up on the day, to trade at $80.23/bbl at 17.00 SGT (09.00 GMT).

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.

By Tuhin Roy and Aparupa Mazumder

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