

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly gained with Brent, and bunkering has been suspended in GOLA again.

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

- **VLSFO prices up in Los Angeles (\$15/mt), Zona Comun (\$14/mt), Houston (\$11/mt), Balboa (\$9/mt) and New York (\$8/mt)**
- **LSMGO prices up in Houston (\$31/mt), Zona Comun (\$25/mt), Los Angeles and Balboa (\$19/mt), and New York (\$12/mt)**
- **HSFO prices up in Los Angeles (\$12/mt), Balboa (\$10/mt) and New York (\$5/mt), and unchanged in Houston**

Houston's LSMGO price has jumped the most in the past day with support from a firm offer at a higher level, while New York's LSMGO price made a smaller gain. This has narrowed New York's LSMGO price premium over Houston from \$96/mt yesterday, to \$77/mt now.

Houston has seen a notable increase in fixtures in the past week. Since last Friday, 11 stems have been recorded by ENGINE. Out of the 11 stems, seven stems have been fixed for LSMGO and four for VLSFO stems.

Houston's VLSFO price has gained in the past day, while the port's HSFO price has remained unchanged, to widen its Hi5 spread from \$94/mt yesterday, to over \$100/mt now. At \$105/mt, Houston's Hi5 spread is narrower than the spread of \$145/mt in Los Angeles, but much wider than New York's spread of \$52/mt.

Bunker operations have been suspended in the Galveston Offshore Lightering Area (GOLA) today due to strong wind gusts of up to 34 knots. A window of calmer weather may allow bunker operations to resume for a period between Saturday and Sunday morning.

Brent

The front-month ICE Brent contract gained \$1.63/bbl on the day, to trade at \$79.88/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

Brent futures moved up following the overnight airstrikes in Yemen conducted by the US and UK military forces, which targeted locations reportedly used by Iran-aligned Houthi militants.

“These strikes are in direct response to unprecedented Houthi attacks against international maritime vessels in the Red Sea,” said US President Joe Biden in a statement.

Brent’s prices also gained after Iran confirmed the seizure of an oil tanker in the Gulf of Oman that it claims to be US-affiliated. “This will be a worry for oil markets if we see incidents [oil tanker seizure] like this becoming more regular,” two analysts from ING Bank said.

The speculation about a potential larger regional conflict impacting oil supply in the Strait of Hormuz, a critical transit route for oil, has raised concern within the oil market.

“The Gulf of Oman is very near the Strait of Hormuz, a critical chokepoint for oil flows,” the analysts added further.

Downward pressure:

Brent futures felt some downward pressure after the US Energy Information Administration (EIA) reported a surprise build of 1.34 million bbls in US crude oil stocks.

The EIA also reported an increase in US distillate stocks, which include diesel and gasoil, for the seventh week. This suggests a lagging demand in the world’s largest oil-consuming country.

“The EIA report slowed the petroleum market momentum,” said Price Futures Group’s senior market analyst Phil Flynn.

By Debarati Bhattacharjee and Aparupa Mazumder

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