

# MARKET UPDATE AMERICAS



## ENGINE: Americas Bunker Fuel Market Update

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

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

- **VLSFO prices up in Houston (\$39/mt), Balboa (\$38/mt), New York (\$37/mt) and Zona Comun (\$10/mt)**
- **LSMGO prices up in Balboa (\$63/mt), New York (\$48/mt) and Houston (\$5/mt)**
- **HSFO prices up in New York and Balboa (\$32/mt) and Houston (\$29/mt)**

New York's LSMGO price has reversed yesterday's losses and has gained heavily in the past day. Houston's LSMGO price has made a marginal gain, to widen its LSMGO price discount to New York from \$3/mt yesterday, to \$46/mt now.

Strong north winds of 25-30 knots and choppy waters have kept inbound vessel traffic through the Houston Ship Channel and through the Galveston/Texas City Channel closed since yesterday evening, Inchcape Shipping Services says.

Securing VLSFO and LSMGO grades for prompt dates is possible in New York as demand has again slowed in the port. Most suppliers can deliver stems with a lead time of 4-5 days advised.

Bunkering remains suspended in the Galveston Offshore Lightering Area (GOLA) today due to rough weather conditions. The area is experiencing strong gale-force wind gusts of up to 31 knots and the weather is forecast to remain rough until tomorrow. There is a window of calm weather between tomorrow and Friday, which could enable bunker operations to resume in GOLA, before conditions are set to deteriorate again.

Ongoing bad weather conditions have forced some suppliers to hold back deliveries off the US Gulf Coast. Demand has also remained low in the region due to adverse weather conditions.

Bunker deliveries are expected to be halted in Zona Comun due to strong wind gusts of up to 33 knots. However, delivery prospects can change on a case-by-case and calmer weather is forecast from Thursday onwards, a source says.

## **Brent**

The front-month ICE Brent contract has gained \$1.66/bbl on the day, to trade at \$78.68/bbl at 07.00 CST (13.00 GMT) today.

### **Upward pressure:**

Growing conflict in the Middle East has continued to put upward pressure on Brent futures.

The Iran-aligned Houthi militants fired an anti-ship ballistic missile yesterday, hitting a US-operated dry bulk carrier, US Central Command (CENTCOM) said. The Yemeni militant group continue to target commercial vessels in the Red Sea, despite the recent US-led coalition retaliatory airstrikes in Houthi targets in Yemen.

The US and British military forces last week conducted a series of airstrikes on Houthi bases in Yemen.

“The military advises ships to avoid Bab El-Mandeb straight,” said Price Futures Group’s senior market analyst Phil Flynn.

### **Downward pressure:**

Some downward pressures acting on Brent’s price this week come from weak oil demand projections in China.

Oil demand in China has been weak due to less travel activity during the winter season. The country’s gasoline and diesel consumption declined in December 2023 as driving activity slowed due to falling temperatures.

The slowdown in construction and industrial activities in December, caused by cold weather conditions, also resulted in reduced diesel consumption in China last month, market intelligence provider JLC reported.

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