

# MARKET UPDATE AMERICAS



## ENGINE: Americas Bunker Fuel Market Update

23/01/24

Bunker benchmarks in the Americas ports have again taken mixed directions, 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 and Balboa (\$4/mt) and Zona Comun (\$3/mt), and down in New York (\$11/mt)**
- **LSMGO prices up in Balboa (\$10/mt) and Houston (\$9/mt), and down in New York (\$9/mt)**
- **HSFO prices up in Balboa (\$8/mt) and New York (\$6/mt), and down in Houston (\$25/mt)**

Houston's HSFO price has dropped sharply in the past day, with pressure from several lower-priced indications. On the other hand, New York's HSFO price has gained marginally in the past day, to widen its HSFO price premium over Houston from yesterday's \$39/mt, to \$70/mt now.

Houston's VLSFO price has gained in the past day with several firm offers at higher levels. This has widened the port's Hi5 spread from \$119/mt yesterday, to \$148/mt now.

A high risk of fog and reduced visibility is forecast around Corpus Christi, Lake Charles, Port Arthur, Galveston and Freeport until Saturday, which could delay vessel traffic around the region and through the Houston Ship Channel, a source says.

Bunkering has remained suspended in the Galveston Offshore Lightering Area (GOLA) since yesterday due to rough weather conditions. The area is experiencing strong gale-force wind gusts, and the weather is forecast to remain rough until Thursday.

Bunker operations are likely to be disrupted at Argentina's Zona Comun anchorage from this evening, when strong wind gusts of up to 30 knots are forecast.

## **Brent**

The front-month ICE Brent contract gained \$0.89/bbl on the day, to trade at \$79.49/bbl at 07.00 CST (13.00 GMT) today.

### **Upward pressure:**

Brent prices moved higher following an alleged Ukrainian airstrike on the Russian energy firm Novatek's Ust-Luga fuel export terminal, igniting supply disruption worries in the oil market. This news has raised concerns about the conflict between Russia and Ukraine taking a fresh turn, which might impact Russia's oil production and push oil prices further up.

"Global supply disruptions have propped up the market to start the week amid the Middle East conflagration, which continues to underpin oil prices," said SPI Asset Management's managing partner Stephen Innes.

The US and UK military carried out additional airstrikes on Iran-aligned Houthi bases, which are reportedly utilised for targeting global merchant vessels and US Navy ships, the US Central Command (CENTCOM) said.

"The targets included missile systems and launchers, air defense systems, radars, and deeply buried weapons storage facilities," the US CENTCOM said.

### **Downward pressure:**

Some downward pressures acting on Brent futures include the resumption of oil production in Libya's largest oil field.

Libya's National Oil Corporation has lifted force majeure on the El-Sharara oil field and resumed production, following a two-week halt due to local protests. The El-Sharara oil field produces 300,000 b/d of crude.

"The National Oil Corporation announces the lifting of force majeure on the Sharara field and the resumption of production," it posted on X, formerly Twitter.

"Reports that had declared a force majeure on the Sharara oil field that was shut down for 2 weeks overshadowed the loss of barrels from Russian export delays," said Price Futures Group's senior market analyst Phil Flynn.

*By Debarati Bhattacharjee and Aparupa Mazumder*

The information contained in this document is provided in agreement with Integr8 Fuels and the Engine platform. This is reference only and should not be used for any other purposes. It should not be reproduced or used in any way without the consent of Engine. The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](https://freightinvestorservices.com)