ENGINE: Americas Bunker Fuel Market Update

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Most bunker benchmarks in the Americas have declined, and severe fog can delay barge loadings in the Houston area.

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

- **VLSFO prices unchanged in Houston, and down in New York ($6/mt), and Los Angeles, Balboa and Zona Comun ($2/mt)**
- **LSMGO prices up in Balboa ($14/mt), and down in Los Angeles ($42/mt), New York ($23/mt) and Houston ($3/mt)**
- **HSFO prices up in Balboa ($6/mt) and Los Angeles ($1/mt), unchanged in New York, and down in Houston ($3/mt)**

Bunker fuel prices in most ports across the Americas have decreased in the past day, despite an increase in front-month Brent futures prices. This drop in prices is due to lower demand in the region. Even though the oil market has been fluctuating, prices in the Americas have not risen due to weak demand, a source says.

Los Angeles' LSMGO price has dropped steeply in the past day, with downward pressure from a lower-priced indication. Despite the steep drop, the port's LSMGO grade is still priced about $100/mt higher than the grade's price in the West Coast port of Seattle.

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 tomorrow.

Thick fog and reduced visibility has stopped all inbound and outbound vessel traffic through the Houston Ship Channel since this morning. There is a high risk of fog and reduced visibility forecast throughout this week, which could lead to a significant backlog of vessels looking to transit through the channel in either direction.

Houston, Corpus Christi, Lake Charles, Port Arthur, Galveston and Freeport are experiencing bunkering delays as barges struggle to load products from terminals due to fog, a source says

Brent

The front-month ICE Brent contract inched $0.17/bbl higher on the day, to trade at $79.66/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

The escalating geopolitical tensions have been bolstering Brent futures gains, especially with recent reports of additional airstrikes by the US and UK military against Iran-aligned Houthis in Yemen.

Iran is "directly involved" in the ongoing attacks on commercial vessels by the Yemeni militants in the Red Sea, head of the US Navy's 5th fleet Brad Cooper said to the Associated Press (AP).

The American Petroleum Institute (API) reported a substantial decline in the US crude stocks, indicating demand growth in one of the world's largest oil consumers. This has added upward pressure on Brent prices.

Commercial US crude inventories declined by 6.7 million bbls in the week ended 19 January, according to the American Petroleum Institute (API).

Downward pressure:

Brent futures declined as supply concerns from Russia and Libya eased some.

Russia's Ust-Luga port in the Baltic Sea continued crude oil shipment, despite Novatek's fuel export terminal remaining shut due to a fire caused by a Ukrainian airstrike earlier this week. Oil terminals at the Russian port, including one for crude oil exports and two other refined product export terminals have remained functional since Tuesday, Reuters reported citing sources.

Meanwhile, the resumption of oil production in Libya is putting downward pressure on Brent's prices, "offsetting geopolitical tensions and incidents in various regions," SPI Asset Management's managing partner Stephen Innes said.

Libya's largest oil field El-Sharara was shut for almost three weeks due to ongoing protests. "The restart of the operations came after the local governments agreed to meet most of the demands from protestors," ING Bank's analysts said.

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