

# MARKET UPDATE EUROPE & AFRICA



## ENGINE: Europe & Africa Bunker Fuel Market Update

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Bunker benchmarks in European and African ports have shown mixed market directions, and suppliers in Gibraltar grapple to clear backlogs caused by recent weather disruptions.

Changes on the day to 09.00 GMT today:

- **VLSFO prices up in Rotterdam (\$22/mt) and Gibraltar (\$17/mt), and down in Durban (\$1/mt)**
- **LSMGO prices up in Gibraltar (\$30/mt) and Rotterdam (\$22/mt), and down in Durban (\$13/mt)**
- **HSFO prices up in Rotterdam (\$2/mt), and down in Gibraltar (\$36/mt)**

Gibraltar's HSFO price has come down sharply, with support from a lower-priced prompt HSFO stem fixed at \$456/mt yesterday. Meanwhile, the grade's price in Rotterdam has gained some. The diverging price moves have nearly halved Gibraltar's HSFO premium over Rotterdam from yesterday's \$82/mt, to \$44/mt now.

Two higher-priced prompt LSMGO stems in Rotterdam have elevated the port's benchmark, while a higher-priced prompt LSMGO stem raised Gibraltar's LSMGO benchmark by \$30/mt.

Some suppliers in Gibraltar struggle to clear backlogs from recent weather disruptions. Currently, eight vessels are waiting for bunkers in Gibraltar, unchanged from yesterday, port agent MH Bland said. A supplier is reporting 4-8 hours of delays at the port. Bunker fuel availability is normal at the port, a trader told ENGINE.

Rough weather conditions continue to disrupt bunkering in Las Palmas. Bunkering remains suspended at the outer anchorage area amid rough weather, MH Bland said. Meanwhile, bunkers are still available via ex-pipe at berth or by barge at the port's inner anchorage, where only one vessel is allowed to receive bunkers at a time.

## **Brent**

The front-month ICE Brent contract gained \$2.15/bbl on the day, to trade at \$80.10/bbl at 09.00 GMT.

### **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.

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