

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly increased, and bad weather has disrupted bunkering in Zona Comun and GOLLA.

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

- **VLSFO prices up in Zona Comun (\$39/mt), Los Angeles (\$31/mt), Houston (\$25/mt), Balboa (\$20/mt) and New York (\$5/mt)**
- **LSMGO prices up in Balboa (\$32/mt), New York (\$14/mt), Los Angeles (\$7/mt) and Houston (\$6/mt), and down in Zona Comun (\$13/mt)**
- **HSFO prices up in Balboa (\$10/mt), New York (\$9/mt) and Houston (\$2/mt), and down in Los Angeles (\$4/mt)**

Zona Comun's LSMGO price has dropped over the weekend. Meanwhile, Brazilian port Santos' LSMGO price has defied Brent's downward movement and gained over the weekend with support from a higher-priced indication. This has narrowed Zona Comun's LSMGO premium over Santos' from \$148/mt on Friday, to \$109/mt now.

Los Angeles' VLSFO price has gained the most among the US ports, while the port's HSFO price fell marginally, to widen its Hi5 spread further from \$177/mt, to \$212/mt now.

Bunker operations have been suspended in Zona Comun today due to rough weather conditions, a source says. Operations are likely to resume fully tomorrow, when calmer weather is forecast.

Securing stems for all grades can be difficult in Zona Comun, with VLSFO stems requiring lead times of 7-8 days. LSMGO stems require lead times of 8-10 days.

Bunkering has also been suspended in the Galveston Offshore Lightering Area (GOLA) today due to rough weather conditions.

Brent

The front-month ICE Brent contract shed \$1.25/bbl on the day from Friday, to trade at \$77.25/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

Brent futures' upside gains were boosted after the US military announced that it would launch more airstrikes on Iran-aligned militant groups in Middle Eastern regions including Yemen, Iraq and Syria.

Last week, the US Army launched strikes on more than 85 militant bases linked to Iran's Revolutionary Guard (IRGC), Reuters reported. These retaliatory strikes were prompted by the events of 28 January, when a drone attack on a US base in Jordan killed three US personnel.

The US Central Command (CENTCOM) "conducted a strike in self-defence against a Houthi land attack cruise missile," on Sunday, it said.

Two Ukrainian airstrikes on Lukoil's largest oil refinery in Russia caused some supply disruptions and jitters in the market, Reuters reported citing a source.

Downward pressure:

Analysts attributed the drop in Brent's prices from last week's highs to the talks surrounding a ceasefire in the Gaza Strip. The prospect of easing tensions in the region influenced the market sentiment and contributed to the price decline.

"Oil [Brent] sold off hard on hopes that the spirit of "collective, cooperation and harmony" might spread in the form of a ceasefire and hostage release in the Gaza Strip," said Price Futures Group's senior market analyst Phil Flynn.

A tweet by Al Jazeera stating that Israel had agreed to a ceasefire agreement caused a plunge in the oil market, but the tweet was later taken down by Al Jazeera for unknown reasons, he added. Speculations about a potential ceasefire agreement between Israel and Hamas have dragged Brent prices lower.

Separately, Lukoil confirmed that its Volgograd refinery with a capacity of about 300,000 b/d was running normally even after the attack. "There were no casualties. The Volgograd Refinery continues its operations as usual," Russia's state-owned media agency TASS cited Lukoil as saying.

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