

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Bunker prices in the Americas have gained with Brent values, and bad weather could trigger bunker suspensions in GOLLA and Zona Comun again.

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

- **VLSFO prices up in Zona Comun (\$11/mt), Houston (\$8/mt), New York (\$6/mt) and Balboa (\$4/mt), and down in Los Angeles (\$21/mt)**
- **LSMGO prices up in Zona Comun (\$14/mt), Houston (\$12/mt), Balboa and New York (\$4/mt) and Los Angeles (\$1/mt)**
- **HSFO prices up in New York and Balboa (\$4/mt) and Los Angeles (\$2/mt), and down in Houston (\$2/mt)**

Los Angeles' VLSFO price has run counter to the general market direction and dropped in the past day. A lower-priced indication may have contributed to pulling the benchmark lower. Meanwhile, its twin port Long Beach's VLSFO price has gained in the past day, to narrow its VLSFO price discount to Los Angeles from \$35/mt yesterday, to just \$6/mt now.

Availability of VLSFO and HSFO stems is better than normal in Los Angeles amid low demand. Most suppliers can deliver stems with 5-7 days of lead time. Securing prompt HSFO in West Coast ports is also possible now. A 400-600 mt HSFO stem with a lead time of 4-8 days has been fixed in Long Beach in the past day.

Bunkering is currently progressing normally in the Galveston Offshore Lightering Area (GOLA). However, wind gusts of up to 44 knots are forecasted from Monday onwards, and the weather is expected to remain rough throughout next week.

Zona Comun's LSMGO price has climbed the most in the past day, which has resulted in widening its premium over the Brazilian port of Santos by \$10/mt.

Zona Comun is expected to experience strong wind gusts of 37-39 knots this evening. This could lead to delays and disruptions, a source says.

Brent

The front-month ICE Brent contract has moved \$1.18/bbl higher on the day, to trade at \$80.27/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

Brent futures moved higher after Israel dismissed a ceasefire proposal for Gaza, shattering hopes for a potential resolution in the ongoing four-and-a-half-month conflict between the Israel Defense Forces (IDF) and Hamas militants.

Israeli Prime Minister Benjamin Netanyahu on Wednesday called the offer for a ceasefire in Gaza “delusional”, Reuters reported. He further reiterated Israel’s stand to completely vanquish the Iran-backed militant group.

Brent’s prices also gained after the US Energy Information Administration (EIA) reported a drawdown in US gasoline and distillate stocks in the week ended 2 February.

The US gasoline stocks dropped by 3.15 million bbls to 251 million bbls last week, driven by an increase in demand. The country’s distillate stocks, which include diesel and gasoil, also fell for the third consecutive week. The stocks declined by 3.22 million bbls to 127.58 million bbls.

Brent futures rallied “after the Energy Information Administration (EIA) released its weekly inventory statistics,” said SPI Asset Management’s managing partner Stephen Innes. “This surge was driven by a larger-than-anticipated decline in U.S. fuel stocks and escalating geopolitical tensions in the Middle East,” he added.

Downward pressure:

Brent prices felt some downward pressure after the EIA also reported a staggering rise in US crude stocks.

Commercial US crude inventories rose by 5.5 million bbls on the week, to 427.43 million bbls on 2 February, according to the EIA. The weekly stock build was much bigger than the American Petroleum Institute's (API) projection of 674,000 bbls build.

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