

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

09/02/24

Americas bunker prices have mostly gained with Brent, with the notable exception of Balboa's declining HSFO and LSMGO prices.

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

- **VLSFO prices up in Houston and Zona Comun (\$10/mt), Los Angeles (\$8/mt) and New York and Balboa (\$6/mt)**
- **LSMGO prices up in Zona Comun (\$18/mt), Houston (\$17/mt), Los Angeles (\$12/mt) and New York (\$9/mt), and down in Balboa (\$14/mt)**
- **HSFO prices up in Houston (\$11/mt), Los Angeles (\$7/mt) and New York (\$6/mt), and down in Balboa (\$19/mt)**

Balboa's HSFO price has countered Brent's upward push and has dropped in the past day, with pressure from a lower-priced stem with non-prompt delivery. Meanwhile, Cristobal's HSFO benchmark has gained to go from near parity with Balboa's price yesterday, to a \$25/mt premium now.

Balboa's VLSFO benchmark has also gained, widening its Hi5 spread by \$25/mt to above the \$200/mt mark in the past day. The port's Hi5 spread is currently at its widest level since March 2023.

Houston's VLSFO and LSMGO prices have risen by \$32/mt and \$37/mt, respectively, over the week amid rising crude values and limited bunker availability of both fuel grades at the port.

Bunkering is progressing as usual 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.

Brent

Front-month ICE Brent has moved \$1.04/bbl higher on the day, to \$81.31/bbl at 07.00 CST (13.00 GMT) today. The futures contract is on track for a 6% gain over its settlement level last week.

Upward pressure:

Brent levels have moved higher this week after Israel rejected Gaza's ceasefire offer. Israeli Prime Minister Benjamin Netanyahu called the offer "delusional" and vowed to fight until "absolute victory" over Hamas has been achieved. Since then, Israeli military operations in Gaza have intensified, with reports of bombings in Rafah yesterday, Reuters reported.

Oil market was hoping for a ceasefire agreement following multiple peace talks facilitated by Qatar and Egypt. The Israeli rejection has prompted market participants to increase their long positions in Brent futures, pushing crude spot prices higher, ANZ commodities strategist Daniel Hynes says.

It coincides with a worsening shipping situation in the Red Sea, Hynes points out. Escalating tensions have raised concerns about how the Houthi militia will respond, especially given its history of targeting vessels in the Red Sea in response to Israeli actions in Gaza.

Downward pressure:

Ukrainian drone attacks on several Russian oil infrastructure locations have dented the country's refining capability, forcing Russia to export more unfinished crude oil to clear a growing crude stockpile, Reuters reported citing analysts. This could impact its pledge to curb crude oil exports under the OPEC+ deal.

Last year, Russia pledged to reduce its crude oil exports by 500,000 b/d during the first quarter of this year. Analysts suggest that Russia may find it difficult to adhere to this strategy because unrefined crude stocks have piled up and because its refining capacity has now become more constrained.

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