

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Americas bunker benchmarks have moved in mixed directions, and availability is tight in Houston.

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

- **VLSFO prices up in Balboa (\$16/mt) and Houston (\$1/mt), and down in New York (\$9/mt)**
- **LSMGO prices up in Balboa (\$23/mt) and Houston (\$10/mt), and down in New York (\$20/mt)**
- **HSFO prices up in Houston (\$7/mt), unchanged in Balboa, and down in New York (\$4/mt)**

Houston's LSMGO price has increased over the weekend, while New York's price has dropped steeply and gone from a \$22/mt premium over Houston, to a \$8/mt discount now.

Houston's LSMGO benchmark has risen amid tight availability for prompt dates, a source says. The port's LSMGO benchmark is trading at its highest level since November.

Bunker operations have been halted in the Galveston Offshore Lightering Area (GOLA) since Sunday due to harsh weather conditions. The area is experiencing strong gale-force wind gusts of up to 43 knots, and the weather is forecast to remain rough until tomorrow morning.

Ongoing bad weather conditions have forced some suppliers to hold back deliveries off the US Gulf Coast. Demand has also remained low in the region due to adverse weather conditions.

Bunker deliveries are expected to be suspended in Zona Comun later today due to strong wind gusts of up to 43 knots, which could intermittently disrupt bunker deliveries until Friday. Some suppliers will attempt to deliver stems as and when the weather permits, a source says.

Brent

The front-month ICE Brent contract has inched \$0.05/bbl higher on the day from Friday, to trade at \$81.36/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

Brent futures have remained above the \$80/bbl mark, driven by increased oil supply concerns due to ongoing attacks on ships in the Red Sea.

The Organisation of the Petroleum Exporting Countries (OPEC) and its allies have continued rolling out their voluntary oil supply cuts through the first quarter of this year. “This comes as the oil industry warns of what we have been talking about for years, a coming energy shortage,” said Price Futures Group’s senior market analyst Phil Flynn.

Oil market will face a shortage in oil supply by the end of 2025 because the world is failing to replenish crude reserves fast enough, US-based oil exploration company Occidental’s chief executive Vicki Hollub said in an interview with CNBC.

Meanwhile, OPEC expects total global [oil demand](#) to average 104.4 million b/d in 2024, “bolstered by strong air travel demand and healthy road mobility, including on-road diesel and trucking,” it said in its latest report.

Downward pressure:

Brent’s gains were partially capped by reports of Israel concluding its ground offensive in southern Gaza. About 1.5 million people are sheltering in that part of the city, according to the BBC.

The Israel Defense Forces (IDF) said it ceased a “series of strikes” south of the Gaza Strip, Reuters reported. This news comes days after the country’s Prime Minister Benjamin Netanyahu refused any talks of a ceasefire.

Brent futures faced some downward pressure last week due to talks of a ceasefire between Israel and Iran-backed Hamas militants. Prices have since rebounded after Israel turned down the ceasefire proposal.

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