

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Regional bunker prices have mostly increased, and bunker operations have resumed in GOLA amid calmer weather.

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

- **VLSFO prices up in Balboa (\$29/mt), Zona Comun (\$24/mt) and Houston (\$2/mt), and down in New York (\$11/mt)**
- **LSMGO prices up in New York (\$60/mt), Balboa (\$27/mt) and Houston (\$10/mt), and down in Zona Comun (\$28/mt)**
- **HSFO prices up in Balboa (\$53/mt), and down in New York (\$10/mt) and Houston (\$3/mt)**

New York's LSMGO price has reversed yesterday's losses and gained heavily in the past day with support from three higher-priced firm offers. Houston's LSMGO price has made a smaller gain. This has flipped Houston's LSMGO price from an \$8/mt premium yesterday, to a \$42/mt discount now.

Balboa's HSFO price has also jumped in the past day, while the port's VLSFO benchmark has had a modest gain to narrow its Hi5 spread by \$24/mt to below the \$200/mt-mark.

Bunker operations resumed in the Galveston Offshore Lightering Area (GOLA) this morning, after being halted yesterday. However, strong wind gusts of up to 44 knots are forecast again from Saturday, which may affect bunker activities in the lightering area. Availability of bunker deliveries has been tight in GOLA due to intermittent weather-related suspensions in the area, especially for HSFO.

Bunkering remains suspended in Zona Comun, as strong wind gusts are making deliveries difficult. Calmer weather is forecast from this evening onwards and could allow bunker operations to resume at the anchorage.

Brent

The front-month ICE Brent contract has gained \$1.27/bbl on the day, to trade at \$82.63/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

The Israel and Hamas conflict, which has gradually evolved into a broader geopolitical issue, has supported Brent's upward trajectory.

Brent prices moved higher after Yemen's Houthis launched two airstrikes yesterday at a Marshall Islands-flagged cargo vessel, *M/V Star Iris*, transiting the Red Sea. The ship was carrying corn from Brazil and was en route to Iran, the US Central Command (CENTCOM) said.

Oil market analysts have indicated that potential actions by the US to escalate oil sanctions against Iran in response to its support for Houthis could lead to further price increases.

"Geopolitical incidents also provided support to crude prices despite the building inventory in the United States and low refinery utilization," said SPI Asset Management's managing partner Stephen Innes.

Meanwhile, Iraq's oil minister Hayan Abdel-Ghani, reiterated on Monday that the country is committed to OPEC's decisions on voluntary output cuts, Reuters reported. Iraq currently exports about 3.35–3.40 million b/d of oil, he said.

Downward pressure:

Speculations about potential interest rate cuts by the US Federal Reserve (Fed) this year have partially capped Brent's gains.

The Fed, in its January survey of consumer expectations, indicated that inflation forecasts for one year and five years ahead remained steady at 3% and 2.5%, respectively, Reuters reported. The surveyors are expecting a relatively stable inflation outlook, although both projections remain above the Fed's 2% target.

A higher-than-expected inflation rate could stop the Fed from cutting interest rates in its upcoming sessions and, in turn, dampen global oil demand. Data on US inflation will be out today, and the Euro Zone's Gross Domestic Product (GDP) data is scheduled for Wednesday.

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