

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Regional bunker benchmarks have mostly gained, and bad weather could hinder Zona Comun bunkering.

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

- **VLSFO prices up in Zona Comun (\$7/mt), Houston (\$5/mt) and Balboa (\$4/mt), unchanged in New York, and down in Los Angeles (\$1/mt)**
- **LSMGO prices up in Balboa and Zona Comun (\$13/mt), Houston (\$11/mt), New York (\$3/mt) and Los Angeles (\$1/mt)**
- **HSFO prices up in New York (\$12/mt), Balboa (\$7/mt), Houston (\$6/mt) and Los Angeles (\$2/mt)**

Los Angeles' VLSFO price has run counter to the general market direction and dropped marginally in the past day. A lower-priced indication has supported the benchmark's resistance to general market direction. On the other hand, in Long Beach, which is a twin port of Los Angeles, the VLSFO price has increased since yesterday. As a result, Long Beach's VLSFO price premium over Los Angeles' has doubled from \$9/mt to \$18/mt.

There has been a slowdown in demand in both West Coast ports today, following two days of intense demand. This surge in demand was caused by the unexpected shutdown of a refinery in Vancouver on Wednesday. However, the situation has improved as the refinery has resumed operations today.

Bunkering is currently proceeding normally at the Zona Comun anchorage in Argentina. However, adverse weather conditions over the weekend could potentially affect the bunkering process. The limited number of suppliers providing stems in Zona Comun, coupled with intermittent weather disruptions, has led to a shortage of bunker fuel supply, Antares Ship Agent says.

The earliest delivery date is as far away as the second week of March.

Brent

The front-month ICE Brent contract gained \$0.89/bbl on the day, to trade at \$82.19/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

Brent futures extended gains this week on the back of global supply concerns and escalation of the Israel-Hamas conflict, which has turned into a broader global threat now.

Iran-aligned militant group Hezbollah launched several airstrikes at a town in northern Israel after 10 civilians in southern Lebanon were killed in cross-border hostilities between the two countries, Reuters reported.

Meanwhile, Brent's price gained after the Israel Defense Forces (IDF) launched a ground assault in Gaza's biggest hospital on Thursday, Reuters reported.

Hopes of a ceasefire between Israel and Hamas for now "does not appear imminent," said two analysts from ING Bank.

Oil market analysts expect Brent futures to rise further as crude supply is likely to take a hit with the onset of oil-producer group OPEC's additional voluntary cuts in the first quarter of this year.

Downward pressure:

Brent's price gains were capped partially after Paris-based International Energy Agency (IEA) cut global oil demand growth forecast in its latest oil market report, diverging significantly from OPEC's demand growth projections.

The IEA expects global oil demand to grow by 1.22 million b/d this year, slightly lower than its previous estimate. "Today the IEA is again predicting that oil demand growth will slow while OPEC believes the opposite," Price Futures Group's senior market analyst commented.

The latest US Consumer Price Index (CPI) has also disappointed the oil market that now expects the US Federal Reserve (Fed) to delay interest rate cuts this year.

Higher US interest rates can reduce global demand for oil as it makes buying costlier for non-dollar currency holders.

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