

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly gained with Brent, and bad weather could trigger a bunker suspension in GOLA again.

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

- **VLSFO prices up in Balboa (\$7/mt), Houston (\$6/mt), New York (\$5/mt) and Los Angeles (\$1/mt)**
- **LSMGO prices up in Balboa (\$19/mt) and Los Angeles (\$7/mt), and down in Houston (\$24/mt) and New York (\$3/mt)**
- **HSFO prices up in Houston and Balboa (\$9/mt), New York (\$6/mt) and Los Angeles (\$2/mt)**

Houston has seen a jump in the number of stems fixed over the weekend. Five stems for both prompt and non-prompt delivery have been recorded by ENGINE since Friday. Four stems have been for VLSFO and one for LSMGO.

Houston's LSMGO price has countered the general market direction and made a steep decline over the weekend. An LSMGO stem was fixed in Houston at a lower price than the port's benchmark noted on Friday, pulling it lower.

This has contributed to quadruple Houston's LSMGO discount to New York, from \$7/mt to \$28/mt now.

Calmer weather conditions have allowed bunkering to run normally in the Galveston Offshore Lightering Area (GOLA) today. However, strong wind gusts of up to 36 knots are forecast from Thursday onwards, which could hamper bunkering again.

Prompt VLSFO and LSMGO availability is tight in GOLA and deliveries of both grades are subject to enquiry now, a source says.

Brent

The front-month ICE Brent contract has gained \$1.18/bbl on the day from Friday, to trade at \$83.37/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

Brent futures gained over the weekend due to heightened concerns about supply disruptions in the oil market after another crude oil tanker was hit by Houthi-launched missiles on Saturday.

Four ballistic anti-ship missiles were launched at a Panamanian-flagged and Denmark-owned vessel *MT Pollux* by Iran-aligned Houthi militants on 17 February, US CENTCOM said. The vessel was carrying crude oil from Russia to India.

Moreover, geopolitical tensions in the Middle East have escalated after Israel launched another ground offensive in southern Gaza.

“These developments [in the Middle East] spurred modest gains in Brent and WTI prices as investors reacted to the heightened geopolitical risks,” said SPI Asset Management’s managing partner Stephen Innes.

Downward pressure:

Brent’s recent gains were partially capped after the International Energy Agency (IEA) lowered its outlook for global oil demand growth.

The IEA expects global oil demand to grow by 1.2 million b/d this year, in a heavy contrast to oil-producers group OPEC’s projection of a 2.2 million b/d growth.

The Paris-based agency also sees a balance in the oil market for the first quarter of 2024, despite voluntary production cuts by OPEC+.

“This outlook contrasts with the EIA's projection of a 100,000-bpd [b/d] drawdown from global oil supply in the first quarter,” said Stephen Innes.

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