

MARKET UPDATE AMERICAS



ENGINE: Americas Bunker Fuel Market Update

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Most benchmarks in the Americas ports have moved down with Brent, and availability remains tight in Houston.

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

- **VLSFO prices up in Houston (\$4/mt), and down in New York (\$16/mt), Los Angeles (\$8/mt) and Balboa (\$7/mt)**
- **LSMGO prices down in Houston (\$21/mt), Balboa (\$18/mt), New York (\$15/mt) and Los Angeles (\$11/mt)**
- **HSFO prices down in New York (\$12/mt), Houston (\$7/mt), Los Angeles and Balboa (\$6/mt)**

Houston's VLSFO price has countered the general market direction and has gained marginally in the past day with support from a higher-priced stem. However, the VLSFO price in New York has dipped with Brent's movement, widening Houston's VLSFO price over New York from \$36/mt to \$56/mt.

Availability of all fuel grades remains tight for prompt dates in Houston. The earliest delivery date is as far away as the second week of March with several suppliers.

Bunker operations have been running smoothly in Argentina's Zona Comun anchorage so far this week. However, strong winds of up to 35 knots are forecast to hit the region on Saturday, which could disrupt bunkering at the anchorage.

Brent

The front-month ICE Brent contract lost \$0.63/bbl on the day, to trade at \$82.74/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

Escalating tensions in the Middle East coupled with signs of an economic recovery in China have supported Brent futures' recent gains.

Brent's price moved higher after China's income from tourism recorded a sharp rise of 47.3% year-on-year, during the national Lunar New Year holiday that ended last week, Reuters reported.

The surge in tourism activities in the country also signifies a robust oil demand, potentially leading to an increase in Brent prices. "The Chinese government has intensified its efforts to stabilize the stock market and bolster the economic recovery amid ongoing challenges," said SPI Asset Management's managing partner Stephen Innes.

Meanwhile, Brent's price also gained as the Iran-aligned Houthis escalated attacks on commercial ships transiting the Bab al-Mandeb Strait and the Gulf of Aden. At least four vessels have been attacked since Friday, including the Belize-flagged cargo ship RUBYMAR, which is now at risk of potential sinking in the Gulf of Aden.

Houthi spokesperson Yahya Sare'e claimed responsibility for the attack on the social media platform X (formerly Twitter). The spokesperson warned that Houthi militia attacks in the Red Sea will continue until Israel halts its military operations in the Gaza Strip.

Downward pressure:

The International Energy Agency's (IEA) latest bearish outlook on global oil demand growth has capped some of Brent's price gains.

Last week, the US Energy Information Administration (EIA) reported a whopping 12 million bbls rise in commercial US crude stockpiles. A large build in crude inventories also indicated a decline in crude oil demand in the US.

"The move [EIA report] was largely driven by lower refinery utilisation rates which fell by 1.8pp WoW [1.8 percentage points week-on-week] to 80.6%," commented two analysts from ING Bank. According to the EIA's data, US refinery utilisation has averaged 81.5% so far this month, down from 88.5% in January.

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