

# MARKET UPDATE AMERICAS



## ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly increased, and bad weather has disrupted bunkering in Zona Comun and GOLLA.

Changes on the day to 03.00 CST (09.00 GMT) today:

- **VLSFO prices up in Los Angeles (\$25/mt), Balboa (\$15/mt), Zona Comun (\$13/mt) and Houston (\$11/mt), and down in New York (\$2/mt)**
- **LSMGO prices up in Houston (\$4/mt), Los Angeles and Balboa (\$2/mt), and down in New York (\$19/mt)**
- **HSFO prices up in Balboa (\$11/mt), Los Angeles (\$9/mt), Houston (\$8/mt) and New York (\$4/mt)**

New York's LSMGO price has defied Brent's upward movement and has dropped amid pressure from a lower-priced stem. On the other hand, Houston's LSMGO price has gained some in the past day, to flip its \$14/mt LSMGO discount to New York's, to a \$9/mt premium now.

Calmer weather conditions in the Galveston Offshore Lightering Area (GOLA) have allowed suppliers to smoothly carry out bunker operations. This comes after a period of disruptions because of bad weather. Bunker operations, however, are expected to be disrupted again in GOLA today due to a forecast of strong wind gusts of up to 34 knots.

Similarly, bunker operations have been running normally in Zona Comun. However, rough weather conditions are forecast over the weekend, which could disrupt bunkering there.

## **Brent**

The front-month ICE Brent contract gained \$1.44/bbl on the day, to trade at \$83.17/bbl at 03.00 CST (09.00 GMT) today.

### **Upward pressure:**

Brent futures pared the previous day's losses amid escalation of geopolitical tensions in the Middle East. Iran-backed Houthis have now started targeting US naval ships, the Yemeni militia's spokesperson Yahya Sare'e confirmed on social media platform X (formerly Twitter).

The US Central Command (CENTCOM) also confirmed retaliating to these attacks with four self-defense strikes against seven mobile anti-ship missiles and one ballistic anti-ship missile.

"[Brent] Prices have also been supported in recent weeks amid increasing tensions in the Middle East," ANZ Bank's senior commodity strategist Daniel Hynes said in a note. "Houthi rebels continue to attack merchant ships in the Red Sea while Israel continues to push back on proposed ceasefire agreements," he added.

### **Downward pressure:**

Meanwhile, Brent futures felt some downward pressure after the American Petroleum Institute (API) reported another sharp rise in US crude stockpiles.

The US commercial crude inventories climbed by 7.17 million bbls in the week ended 16 February, ousting the market projection of a 4.3 million-bbl build during the same time, according to the API data.

Separately, the US Federal Reserve's (Fed) Federal Open Market Committee (FOMC) released minutes from its January meeting, which indicated a possible delay in interest rates cut in the US due to sticky inflation.

"FOMC minutes highlighted [that] most Fed officials were concerned of the risk of cutting [interest] rates too early," Hynes said.

Higher interest rates in the US can often diminish global demand for commodities like oil, as it increases purchasing costs for those holding non-dollar currencies.

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