

# MARKET UPDATE AMERICAS



## ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly increased, and bunker operations have been suspended in GOLLA.

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

- **VLSFO prices up in Houston (\$17/mt), Balboa (\$16/mt), Los Angeles (\$9/mt) and New York (\$2/mt)**
- **LSMGO prices up in Houston (\$21/mt), Los Angeles (\$15/mt), New York and Balboa (\$1/mt)**
- **HSFO prices up in New York (\$9/mt), Los Angeles (\$8/mt), Balboa (\$5/mt) and Houston (\$2/mt)**

Houston's LSMGO has reversed yesterday's price losses and gained heavily in the past day with support from a higher-priced firm offer. Meanwhile, New York's LSMGO price has made a smaller gain. This has narrowed Houston's LSMGO price discount to New York from \$32/mt yesterday to \$12/mt now.

Bunker operations have resumed in Zona Comun today after being suspended since Sunday due to bad weather conditions. However, the availability of VLSFO and LSMGO remains very tight for prompt dates at Argentina's Zona Comun anchorage. Several suppliers are only able to deliver stems for delivery dates after 10-11 March, a source says.

The southeastern and southern regions of Brazil, along with Uruguay and Argentina, are currently experiencing significant challenges related to bunker supplies. This is due to disruptions caused by adverse weather conditions, as well as refinery outages.

A supplier is supplying stems with full stock capacity for only VLSFO and LSMGO in Salvador.

Bunkering has been suspended in the Galveston Offshore Lightering Area (GOLA) today due to rough weather conditions. The area is experiencing strong wind gusts of up to 37 knots, making barge deliveries difficult there.

## **Brent**

The front-month ICE Brent contract gained \$1.19/bbl on the day, to trade at \$82.36/bbl at 07.00 CST (13.00 GMT) today.

### **Upward pressure:**

Escalation of the crisis in the Middle East and a spillover in the Red Sea have driven Brent futures higher so far this week.

The Houthis have continued striking commercial vessels and oil tankers with ballistic missiles, causing jitters in the oil market, analysts said.

“Tension in the Middle East remains elevated, with the US and its allies striking several targets in Houthi controlled Yemen in response to increased attacks on commercial shipping in the Red Sea,” ANZ Bank’s senior commodity strategist Daniel Hynes said.

Moreover, Goldman Sachs has raised its summer 2024 peak price forecast for the front-month ICE Brent contract by \$2/bbl to \$87/bbl due to the ongoing hostilities in the Red Sea that would contribute to larger-than-expected draws in commercial crude stocks in the OECD nations, Reuters reported.

### **Downward pressure:**

In the US, oil production has remained at elevated levels in recent weeks, signaling the ongoing expansion in production capacity. This has added some downward pressure to Brent’s price.

The number of rigs drilling for crude oil and natural gas in the US increased by five to 626 units last week, reaching an 11-week high, according to US-based energy firm Baker Hughes.

“The bullish impact of OPEC+ cuts is tempered by sustained production growth outside the coalition,” said SPI Asset Management’s managing partner Stephen Innes.

Meanwhile, Kansas City Federal Reserve Bank president Jeffrey Schmid said that he, like most of his other colleagues, is in no hurry to cut US interest rates in the upcoming months, Reuters reported.

Higher interest rates in the US typically dampen global demand for commodities like oil, as it increases purchasing costs for non-dollar holders.

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