

# MARKET UPDATE AMERICAS



## ENGINE: Americas Bunker Fuel Market Update

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Americas bunker prices have mostly gained with Brent, and bunker operations remain suspended in GO (Changes on the day to 07.00 CST (13.00 GMT) today:

- **VLSFO prices up in Los Angeles (\$64/mt), New York (\$8/mt), Zona Comun (\$7/mt), Houston (\$2/mt) and Balboa (\$1/mt)**
- **LSMGO prices up in New York (\$9/mt), Houston (\$5/mt) and Zona Comun (\$1/mt), and down in Los Angeles (\$12/mt) and Balboa (\$8/mt)**
- **HSFO prices up in Los Angeles (\$4/mt) and New York (\$3/mt), unchanged in Balboa, and down in Houston (\$1/mt)**

Los Angeles' LSMGO price has dropped steeply in the past day, with downward pressure from a lower-priced stem with non-prompt delivery. Despite the steep drop, the port's LSMGO grade is still priced \$79/mt higher than the grade's price in the West Coast port of Seattle.

Meanwhile, Los Angeles' VLSFO price has gained sharply in the past day. One higher-priced 150-500 mt VLSFO stem with non-prompt delivery has contributed to keep the port's benchmark elevated. On the other hand, the West Coast port's HSFO price has gained marginally in the past day, to widen its Hi5 spread by \$60/mt. At \$209/mt, Los Angeles' Hi5 spread is much wider than the spread of \$63/mt in New York.

Bunkering remains suspended in the Galveston Offshore Lightering Area (GOLA) today due to rough weather conditions. The area is experiencing strong gale-force wind gusts of up to 29 knots. A window of calm weather later today could enable bunker operations to resume in GOLA, before conditions deteriorate again.

Zona Comun is experiencing tight availability of VLSFO and LSMGO, with delivery dates extending beyond 10 March. Increased traffic in the Upriver area has resulted in a surplus of vessels bunkering at Zona Comun, posing challenges for bunker suppliers, Antares Ship Agent says.

## **Brent**

The front-month ICE Brent contract gained \$0.65/bbl on the day, to trade at \$83.01/bbl at 07.00 CST (13.00 GMT) today.

### **Upward pressure:**

Global supply concerns continued to support Brent futures.

Organization of the Petroleum Exporting Countries (OPEC) and its allies are expected to extend voluntary production cuts into the second quarter of this year, Reuters reported citing sources.

Brent's price surged "in response to media reports suggesting that the Organization of the Petroleum Exporting Countries (OPEC) and Russia-led producers are contemplating extending the current output cuts," said SPI Asset Management's managing partner Stephen Innes.

Meanwhile, Brent futures also gained after Russia announced a six-month ban on all gasoline exports starting 1 March, due to planned refinery maintenance work, state-owned media agency TASS reported.

"The decision may have been influenced by unplanned refinery outages in Russia, possibly exacerbated by escalating drone attacks from the Ukrainian military," Innes added.

### **Downward pressure:**

Downward pressures acting on Brent futures today include another whopping build in the US crude stocks, noted by the American Petroleum Institute (API).

US commercial crude inventories increased by 8.42 million bbls in the week ended 23 February, according to API figures. This week's inventory growth, as per the API data, marked the fourth consecutive week of rise in US crude stocks, indicating a lacklustre demand growth in one of the world's largest oil-consuming nations.

Meanwhile, Wafa oil field in western Libya resumed operations on Tuesday, after remaining closed over the weekend due to protestors demanding better wages, Bloomberg reported.

The oil field produces around 40,000 – 45,000 b/d of crude oil. LA amid rough weather.

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