

MARKET UPDATE EUROPE & AFRICA



ENGINE: Europe & Africa Bunker Fuel Market Update

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Bunker benchmarks in European and African ports have mostly gained with Brent, and a gale-force warning has been issued in Gibraltar.

Changes on the day to 09.00 GMT today:

- **VLSFO prices up in Gibraltar (\$2/mt), and down in Rotterdam (\$3/mt) and Durban (\$2/mt)**
- **LSMGO prices up in Rotterdam (\$3/mt) and Gibraltar (\$1/mt)**
- **HSFO prices up in Rotterdam and Gibraltar (\$3/mt)**

Most bunker benchmarks in key European and African ports have gained some in the past day. Rotterdam's VLSFO has resisted Brent's upward pull and dipped by \$3/mt. Several lower-priced indications have dragged the benchmark down.

In Gibraltar, one higher-priced VLSFO stem booked for prompt delivery has raised the benchmark slightly in the past day. Demand has dipped in Gibraltar, a trader says.

The Gibraltar Port Authority has issued a gale warning in effect from tonight until Friday. Strong gale-force wind gusts of up to 49 knots are forecast to hit the port tomorrow. High winds and heavy rainfalls are likely to suspend bunkering in the port. One vessel is waiting for bunkers at Gibraltar today, port agent MH Bland says.

Off Malta, availability is good across all grades. Bad weather is also forecast for the rest of the week with wind gusts of 20 knots forecast over the weekend, which can disrupt bunkering and cause a backlog.

Brent

The front-month ICE Brent contract moved \$0.28/bbl higher on the day, to trade at \$79.30/bbl at 09.00 GMT.

Upward pressure:

Brent futures moved higher after Israel dismissed a ceasefire proposal for Gaza, shattering hopes for a potential resolution in the ongoing four-and-a-half-month conflict between the Israel Defence Forces (IDF) and Hamas militants.

Israeli Prime Minister Benjamin Netanyahu on Wednesday called the offer for a ceasefire in Gaza “delusional”, Reuters reported. He further reiterated Israel’s stand to completely vanquish the Iran-backed militant group.

Brent’s prices also gained after the US Energy Information Administration (EIA) reported a drawdown in US gasoline and distillate stocks in the week ended 2 February.

The US gasoline stocks dropped by 3.15 million bbls to 251 million bbls last week, driven by an increase in demand. The country's distillate stocks, which include diesel and gasoil, also fell for the third consecutive week. The stocks declined by 3.22 million bbls to 127.58 million bbls.

Brent futures rallied “after the Energy Information Administration (EIA) released its weekly inventory statistics,” said SPI Asset Management’s managing partner Stephen Innes. “This surge was driven by a larger-than-anticipated decline in U.S. fuel stocks and escalating geopolitical tensions in the Middle East,” he added.

Downward pressure:

Brent prices felt some downward pressure after the EIA also reported a staggering rise in US crude stocks.

Commercial US crude inventories rose by 5.5 million bbls on the week, to 427.43 million bbls on 2 February, according to the EIA. The weekly stock build was much bigger than the American Petroleum Institute's (API) projection of 674,000 bbls build.

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