

# MARKET UPDATE EUROPE & AFRICA



## ENGINE: Europe & Africa Bunker Fuel Market Update

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Bunker benchmarks in most European and African ports have moved in mixed directions, and heavy congestion has been reported in Gibraltar amid rough weather.

Changes on the day, from Friday to 09.00 GMT today:

- **VLSFO prices down in Gibraltar (\$18/mt), Durban (\$3/mt) and Rotterdam (\$1/mt)**
- **LSMGO prices up in Rotterdam (\$7/mt), and down in Gibraltar (\$3/mt)**
- **HSFO prices up in Rotterdam (\$3/mt), and down in Gibraltar (\$4/mt)**

All three bunker benchmarks in Gibraltar have dipped over the weekend, with its VLSFO prices dropping the most. Rough weather conditions have disrupted bunker operations, resulting in heavy congestion and delays in the port. 23 vessels are waiting for bunkers in Gibraltar today, according to port agent MH Bland.

Wind gusts of up to 30 knots are forecast today in Gibraltar. Bunker operations may fully resume tomorrow with improved weather, but could be suspended again on Wednesday, when conditions are set to deteriorate again.

Currently, bunker barges are not permitted to come alongside until wind speeds are suitable in Gibraltar, MH Bland adds.

The nearby Ceuta is currently open for bunkering, according to shipping agent Jose Salama & Co.

Altogether, ten vessels are due to arrive for bunkers today, up from seven on Sunday. Delays are expected amid a bunker being non-operational until 1 March.

## **Brent**

The front-month ICE Brent contract moved \$0.17/bbl higher on the day from Friday, to trade at \$81.75/bbl at 09.00 GMT.

### **Upward pressure:**

Brent futures have remained above the \$80/bbl mark, driven by increased oil supply concerns due to ongoing attacks on ships in the Red Sea.

The Organisation of the Petroleum Exporting Countries (OPEC) and its allies have continued rolling out their voluntary oil supply cuts through the first quarter of this year. “This comes as the oil industry warns of what we have been talking about for years, a coming energy shortage,” said Price Futures Group’s senior market analyst Phil Flynn.

Oil market will face a shortage in oil supply by the end of 2025 because the world is failing to replenish crude reserves fast enough, US-based oil exploration company Occidental’s chief executive Vicki Hollub said in an interview with CNBC.

Meanwhile, OPEC expects total global oil demand to average 104.4 million b/d in 2024, “bolstered by strong air travel demand and healthy road mobility, including on-road diesel and trucking,” it said in its latest report.

### **Downward pressure:**

Brent’s gains were partially capped by reports of Israel concluding its ground offensive in southern Gaza. About 1.5 million people are sheltering in that part of the city, according to the BBC.

The Israel Defense Forces (IDF) said it ceased a “series of strikes” south of the Gaza Strip, Reuters reported. This news comes days after the country’s Prime Minister Benjamin Netanyahu refused any talks of a ceasefire.

Brent futures faced some downward pressure last week due to talks of a ceasefire between Israel and Iran-backed Hamas militants. Prices have since rebounded after Israel turned down the ceasefire proposal.

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