ENGINE: Americas Bunker Fuel Market Update

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Regional bunker benchmarks have moved in mixed directions, and Hi5 spreads in Los Angeles and Balboa have narrowed below $200/mt.

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

- **VLSFO prices up in New York ($8/mt), Houston ($5/mt) and Zona Comun ($3/mt), and down in Los Angeles ($33/mt) and Balboa ($12/mt)**
- **LSMGO prices up in Houston ($13/mt) and Balboa ($6/mt), and down in Los Angeles ($19/mt) and New York ($17/mt)**
- **HSFO prices up in ($10/mt), unchanged in Balboa, and down in Los Angeles ($6/mt) and New York ($2/mt)**

Houston's LSMGO has gained the most over the weekend with support from two higher-priced firm offers. Meanwhile, New York's LSMGO price has dropped heavily since Friday with pressure from three lower-priced firm offers. This has flipped New York's $25/mt LSMGO price premium over Houston, to a $5/mt discount now.

Los Angeles' VLSFO price has come down steeply compared to the port's HSFO price, over the weekend. Similarly, Balboa's VLSFO price has also dropped, while its HSFO benchmark has remained steady. The price changes have narrowed the Hi5 spreads of both ports below the $200/mt-mark.

A moderate to high risk of fog and reduced visibility is forecast around Corpus Christi, Lake Charles, Port Arthur, Galveston and Freeport today and is expected to continue throughout the week, which could delay vessel traffic around the region and through the Houston Ship Channel, a source says.

Currently, bunkering is proceeding normally in Zona Comun. However, a forecast of bad weather conditions tomorrow could impact bunkering again. Availability remains tight for both VLSFO and LSMGO at the anchorage.

Brent

The front-month ICE Brent contract inched $0.03/bbl higher on the day from Friday, to trade at $83.39/bbl at 07.00 CST (13.00 GMT) today.

Upward pressure:

Brent's price got a boost after the Organization of the Petroleum Exporting Countries and its allies (OPEC+) announced the extension of a voluntary output cut of 2.2 million b/d into the second quarter of this year.

OPEC's de-facto leader Saudi Arabia announced a voluntary cut of 1 million b/d, followed by Iraq (220,000 b/d), the UAE (163,000 b/d), Kuwait (135,000 b/d), Kazakhstan (82,000 b/d), Algeria (51,000 b/d) and Oman (42,000 b/d) through the end of June.

Russia, the leading producer of OPEC+, will continue oil production and export cuts by an additional 471,000 b/d in the second quarter, its Deputy Prime Minister Alexander Novak said on Sunday.

This announcement will support Brent's price gains as "signs of tightness in the physical market continue to push crude oil higher," ANZ Bank's senior commodity strategist Daniel Hynes said. "Output cuts by the OPEC+ alliance continue to reduce supply as the market worries about the renewed tensions in the Middle East," he added.

Meanwhile, in a clear escalation of the Middle Eastern conflict, Iran-backed Houthis vowed on Sunday that the group will continue targeting US- and UK-operated ships transiting the Gulf of Aden, following the sinking of UK-owned cargo vessel M/V RUBYMAR.

"Yemen will continue to sink more British ships, and any repercussions or other damages will be added to Britain's bill," Hussein al-Ezzi, a senior member of the Houthi group said in a post on X (formerly Twitter).

Downward pressure:

Meanwhile, mixed projections for world oil demand growth have put some downward pressure on Brent futures.

Last week, the US Energy Information Administration's (EIA) weekly oil inventory report showed a big build in US crude stockpiles, indicating a lacklustre demand growth in the country.

Commercial crude oil inventories in the US surged by 4 million bbls to reach 447.16 million bbls on 23 February, according to the EIA.

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