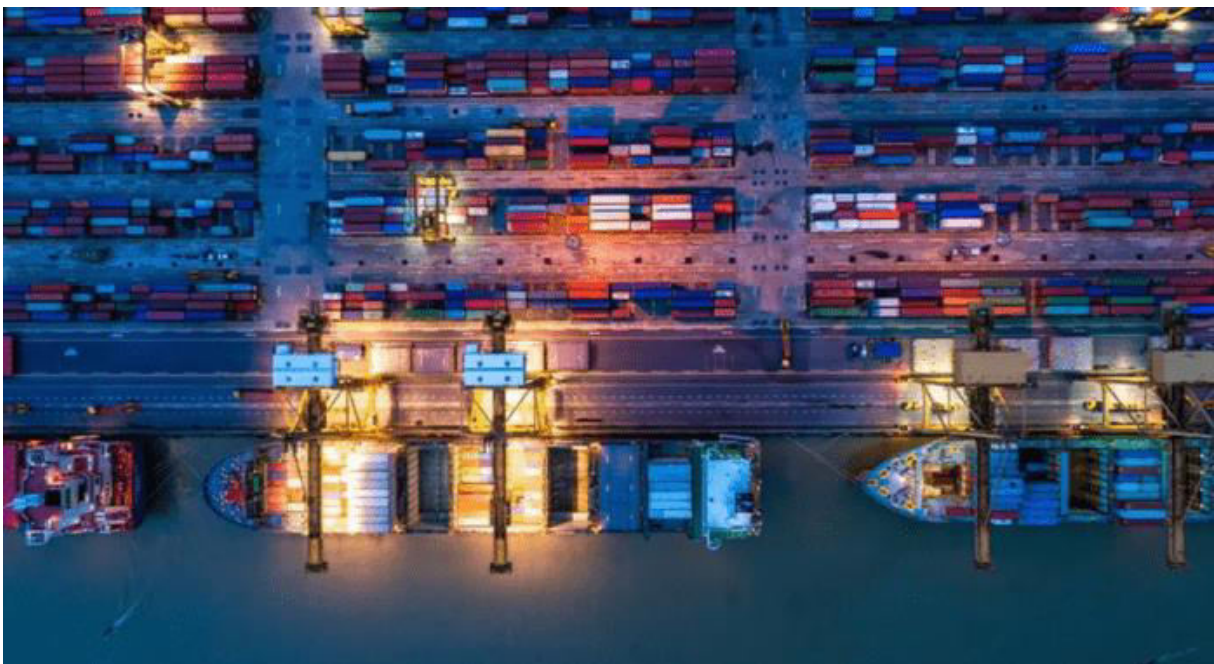


Global bunker market witnesses moderate downward trend

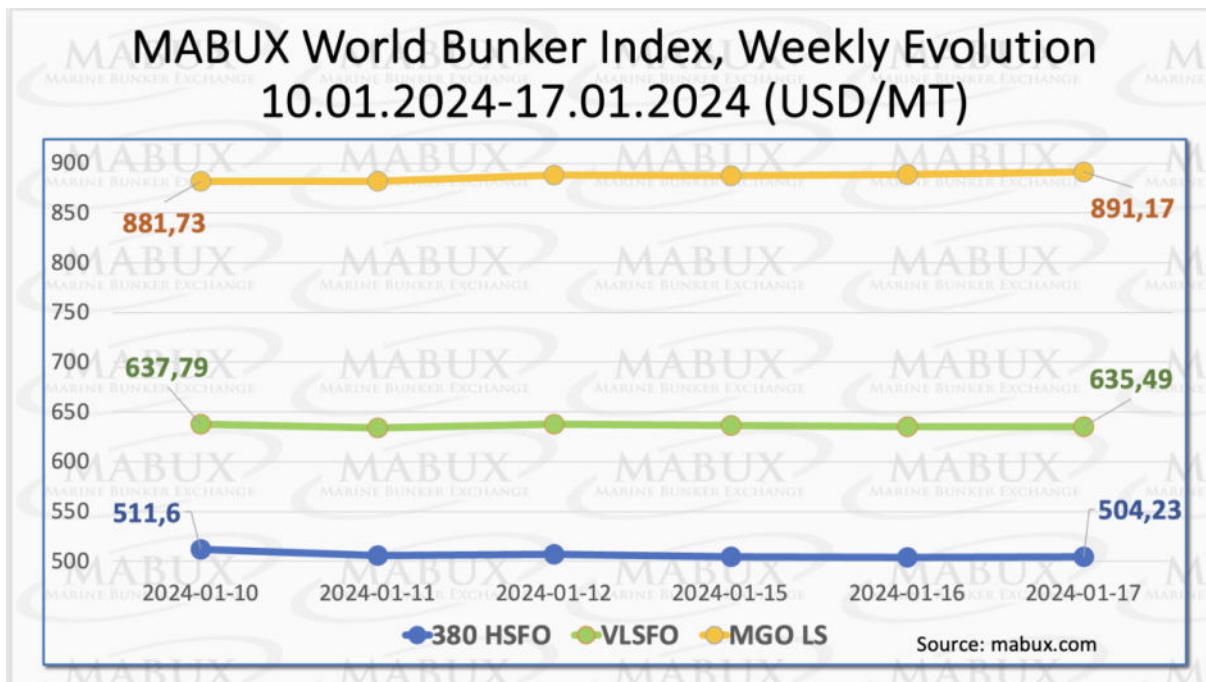
January 19, 2024



The Marine Bunker Exchange (MABUX) global indices showed fluctuating and inconsistent trends in the third week of the year with various movements in different directions.

The 380 HSFO index experienced a decline of US\$7.37, reaching US\$504.23/MT. The VLSFO index decreased by US\$2.30 to US\$635.49/MT. On the other hand, the MGO index saw an upward movement, rising by US\$9.44 to US\$891.17/MT.

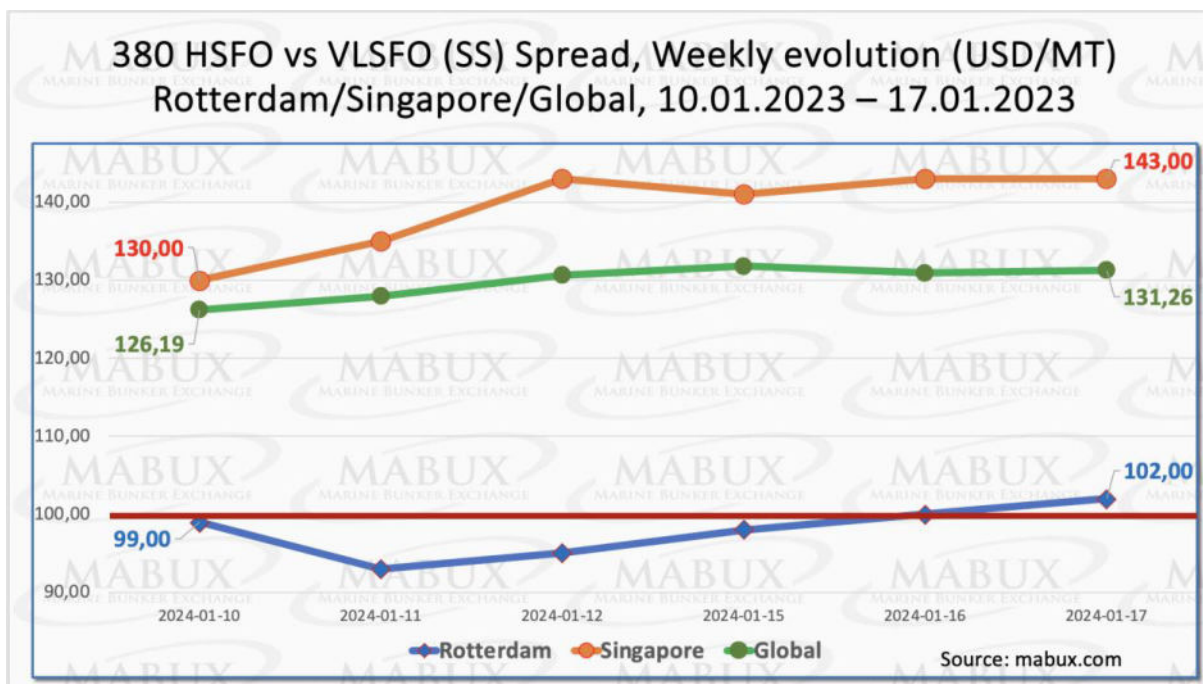
"At the time of writing, a moderate downward trend prevailed in the Global bunker market," noted a MABUX spokesperson.



The Global Scrubber Spread (SS), which represents the price difference between 380 HSFO and VLSFO, experienced moderate growth, rising by US\$5.07 to reach US\$131.26. The weekly average saw an increase of US\$2.76.

In Rotterdam, the SS Spread increased by US\$3 to US\$102, staying close to the US\$100 mark, although the weekly average decreased by US\$10. Meanwhile, in Singapore, the price difference between 380 HSFO and VLSFO expanded by US\$13 to US\$143.00, accompanied by an increase in the weekly average of US\$8.67.

"It is anticipated that the current upward trend in SS Spread is unlikely to continue into the next week," pointed out a MABUX representative.



In early January, the benchmark gas prices in Europe hit their lowest level since August of the previous year. Traders are optimistic that the abundant gas stored will suffice to meet demand until the spring season.

Presently, European gas storage stands at 83% capacity, a satisfactory level for this time of the year. Despite this, European buyers are not solely dependent on stored gas, as they continue to secure LNG, with a robust supply from the US making storage utilisation during the winter months an optional choice.

Concurrently, gas demand has seen a significant decline across most of Europe, primarily attributed to elevated prices and government policies.

The price of LNG as bunker fuel at the port of Sines in Portugal has experienced a consistent decline, reaching US\$674/MT on 15 January. Simultaneously, the price difference between LNG and conventional fuel on the same date favoured LNG, with a margin of US\$181 compared to US\$92 the previous week. On that day, MGO LS was quoted at US\$855/MT in the port of Sines.

Port	Delivery term	LNG	MGO LS	Date	Supplier
SINES History	Truck-to-ship	674.00 -66.00	855.00 +13.00	2024-01-15	GALP

In the third week, the MDI index (which compares market bunker prices through the MABUX MBP Index with the MABUX digital bunker benchmark in the MABUX DBP Index) indicated the following trends in four specific ports: Rotterdam, Singapore, Fujairah, and Houston:

Within the 380 HSFO segment, Houston remained the only port with overvalued prices, experiencing a 24-point decrease in the average weekly overpricing. The other three ports were situated in the undercharge zone. Rotterdam's weekly average underpricing increased by 6 points, Singapore saw a 20-point rise, and Fujairah exceeded the US\$100 mark again with a 15-point increase in the MDI index.

In the VLSFO segment, the MDI indicated a shift for Houston into the overcharge zone, aligning with Singapore and Fujairah. The weekly average decreased by 11 points in Singapore and 19 points in Fujairah, while Houston experienced an 8-point increase. Rotterdam remained the only undervalued port in this bunker fuel segment, with the weekly average showing a 16-point increase.

For the MGO LS segment, Fujairah stood as the only overpriced port, with a 12-point decrease in the weekly average. The remaining three selected ports were deemed undervalued, with Rotterdam showing a 17-point increase in underpricing, Singapore with a 5-point rise, and Houston with a 1-point increase in the average level of underpricing.

MBP vs DBP Indexes, Weekly Evolution

All Indexes in USD/MT	380 HSFO			VLSFO			MGO LS			Date
	MBP Index	DBP Index	Diff.	MBP Index	DBP Index	Diff.	MBP Index	DBP Index	Diff.	
ROTTERDAM	443	485	-42	541	575	-34	752	838	-85	10 Jan - 17 Jan
SINGAPORE	450	501	-51	590	572	18	771	847	-75	10 Jan - 17 Jan
FUJAIRAH	410	519	-110	590	568	22	903	895	9	10 Jan - 17 Jan
HOUSTON	473	461	13	578	573	5	794	808	-14	10 Jan - 17 Jan

Source: mabux.com

Sergey Ivanov, director of MABUX, commented, "We expect that the current escalation of tensions in the Middle East and the ongoing conflict in Ukraine could provoke an increase in global bunker prices next week."