

Global bunker indices continue modest decline

August 22, 2024

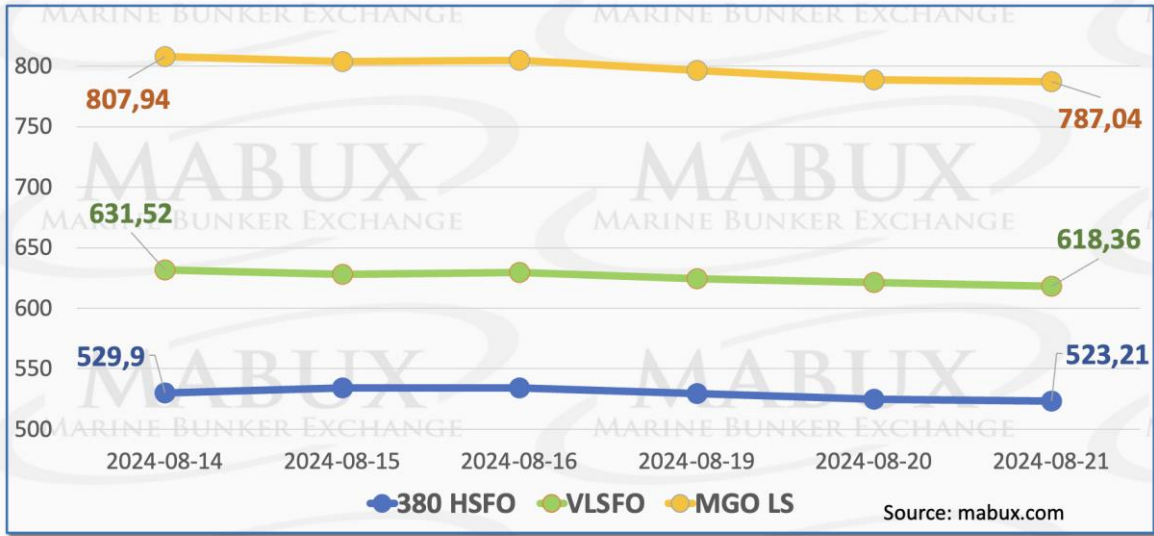


In Week 34, MABUX global bunker indices continued their moderate decline. The 380 HSFO index dropped by US\$6.69 to US\$523.21/MT.

The VLSFO index fell by US\$13.16 to US\$618.36/MT. The MGO index decreased by US\$20.90 to US\$787.04/MT, falling below the US\$800 mark again.

"At the time of writing, there was no sustainable dynamics in bunker indices movements in the global bunker market," stated a MABUX official.

MABUX World Bunker Index, Weekly Evolution 14.08.2024-21.08.2024 (USD/MT)



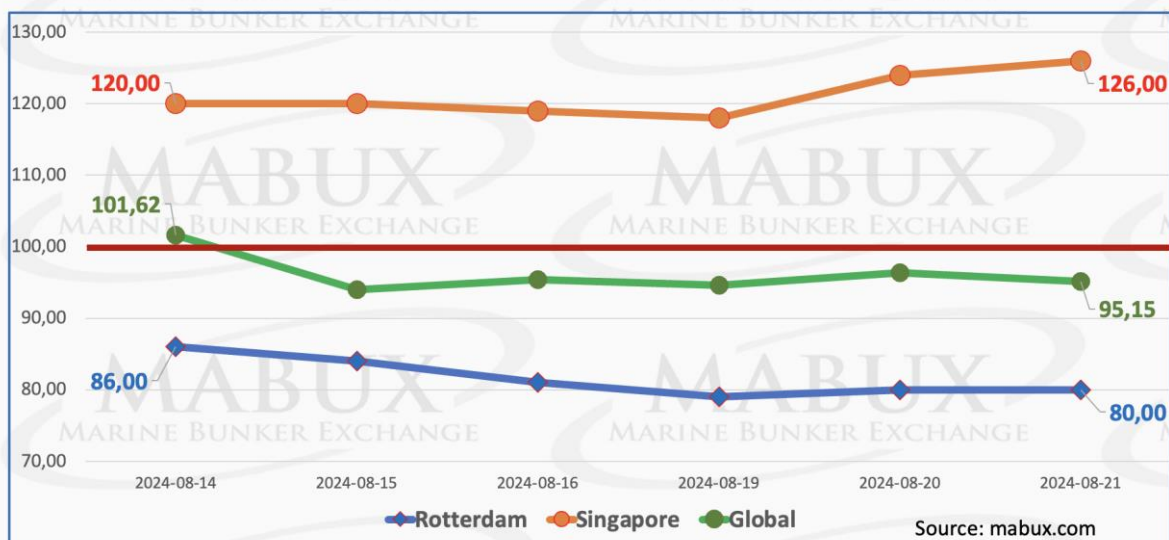
The MABUX Global Scrubber Spread (SS)—the price difference between 380 HSFO and VLSFO—saw a moderate reduction of US\$6.47 to US\$95.15, dropping below the US\$100.00 SS breakeven point.

The weekly average also decreased by US\$2.90. In Rotterdam, the SS Spread narrowed by US\$6.00 to US\$80.00, compared to US\$86.00 the previous week, remaining below the US\$100.00 threshold, with the weekly average down by US\$9.16.

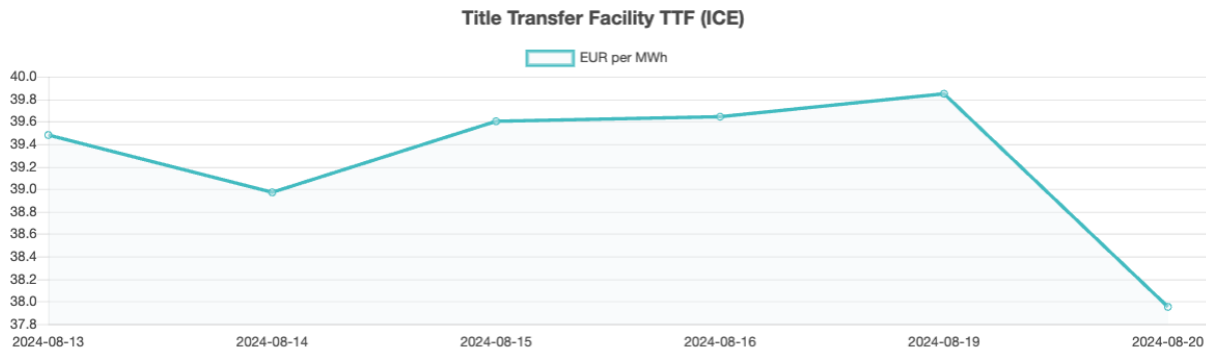
Conversely, in Singapore, the 380 HSFO/VLSFO spread widened by US\$6.00, rising from US\$120.00 to US\$126.00, and the weekly average in the port increased by US\$7.34.

Currently, there is no clear trend in the Global SS Spread and SS indices at the ports, and they may continue to fluctuate irregularly next week.

380 HSFO vs VLSFO (SS) Spread, Weekly evolution (USD/MT) Rotterdam/Singapore/Global, 14.08.2024 – 21.08.2024



According to RBC Capital Markets, the planned maintenance closures of Norwegian LNG terminals, combined with supply concerns due to conflicts in the Middle East and Ukraine, are likely to keep natural gas and LNG prices elevated in the short term. However, in the medium to long term, gas prices may stabilize as new LNG terminals come online and increase market volumes. As of 21 August, European gas storage facilities continued to fill, reaching a rate of 90.02%. By the end of Week 34, the European gas benchmark TTF experienced a moderate decline, dropping by €1.523 to €37.957/MWh from €39.480/MWh the previous week.



By the end of the week, the price of LNG as a bunker fuel in the port of Sines (Portugal) dropped by US\$62, reaching US\$879 per metric ton (MT) on 20 August. Meanwhile, the price difference between LNG and conventional fuel narrowed to US\$100 in favour of MGO LS, down from US\$166 the previous week. On the same day, MGO LS was priced at US\$779 per MT in the port of Sines.

Port	Delivery term	LNG		MGO LS		Date	Supplier
SINES History	Truck-to-ship	879.00	-62.00	779.00	0.00	2024-08-20	GALP

In Week 34, the MDI index, which measures the correlation between market bunker prices (MABUX MBP Index) and the MABUX digital bunker benchmark (MABUX DBP Index), continued to indicate underpricing of all bunker fuel types across the world's four major hubs: Rotterdam, Singapore, Fujairah, and Houston.

- 380 HSFO Segment: The average weekly underpricing premium fell by 14 points in Rotterdam, but rose by 7 points in Singapore, 8 points in Fujairah, and 9 points in Houston.
- VLSFO Segment: The average weekly undercharge margins narrowed by 4 points in Rotterdam and 3 points in Fujairah. The MDI indices remained unchanged in Singapore and Houston, while the index in Fujairah approached the 100% correlation mark with the digital benchmark MABUX.
- MGO LS Segment: The average weekly underpricing ratio increased by 5 points in Rotterdam, 3 points in Singapore, and 13 points in Fujairah, but decreased by 5 points in Houston. The MDI indices in Rotterdam and Singapore remained stable above the US\$100 mark.

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	464	503	-39	546	598	-53	674	798	-123	14 Aug - 21 Aug
SINGAPORE	478	517	-39	599	604	-5	693	807	-113	14 Aug - 21 Aug
FUJAIRAH	464	530	-66	597	599	-2	784	855	-70	14 Aug - 21 Aug
HOUSTON	452	500	-48	556	625	-70	704	711	-7	14 Aug - 21 Aug

Source: mabux.com

Throughout the week, the balance between overvalued and undervalued ports remained largely unchanged, staying within the undercharge zone. We anticipate that this trend will continue into next week.

"We expect that next week the global bunker market to continue experiencing irregular fluctuations in indices without a steady trend," commented Sergey Ivanov, Director at MABUX.