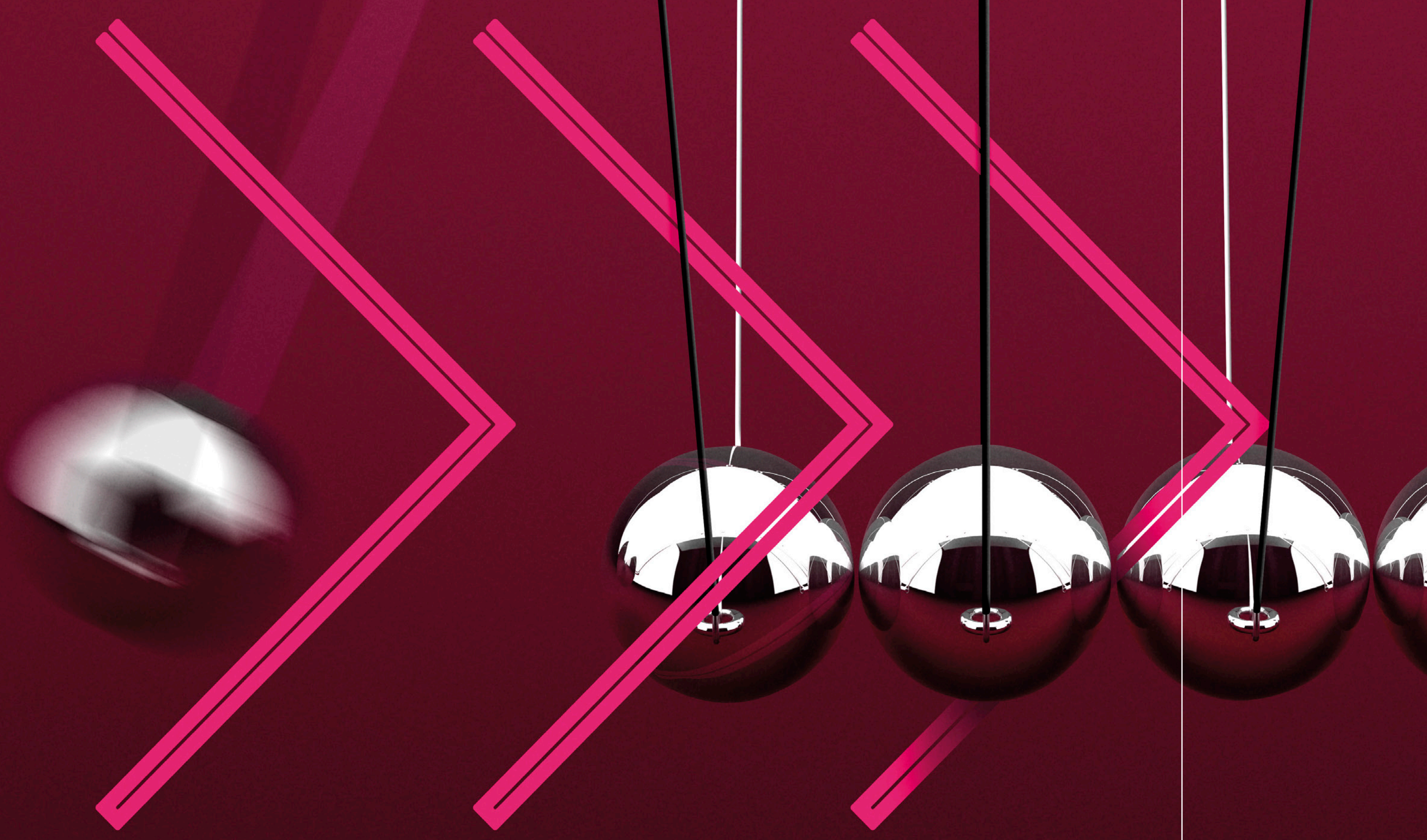
Dan-Bunkering
Ride the Next Wave

Weekly Market Report

June 10, 2025



Latitude
N 55°30'23.8458"
Longitude
E 9°43'44.7468"

Bunker Port Brief

Singapore

	VLSFO	HSFO	MGO
Availability			
Days of notice	9	8	5
Demand			

The Asian LSFO market is expected to remain supported by tight prompt availability. Prompt deliveries in Singapore have been restricted amid busy barge schedules over the last week, which is expected to persist through the current week.

The Asian HSFO market is expected to remain buoyed by stable cargo demand, strong bunkering activity and summer power generation demand.

The Asian LSMGO market may trade rangebound to lower. Supply of spot gasoil remains steady.

ARA

	VLSFO	HSFO	MGO
Availability			
Days of notice	5-6 working days	5-6 working days	3-4 working days
Demand			

Fujairah

	VLSFO	HSFO	MGO
Availability			
Days of notice	6	5	4
Demand			

Fujairah oil stocks fell to 15.616 million barrels, the lowest since Dec. 31, with middle distillates down another 35% to a second consecutive all-time low of only 652,000 barrels and heavy distillates off 25% to 7.238 million barrels, also a five-month low. Light distillates, such as gasoline and naphtha, rose 5.9% to 7.726 million barrels, rebounding from a two-month low a week earlier and exceeding heavy distillates for the first time since February.

The oil stocks low levels are not impacting bunker dynamics with the market having more barge capacity across all grades versus a sluggish demand which keeps prices under pressure.

Houston

	VLSFO	HSFO	MGO
Availability			
Days of notice	5	5	3-5
Demand			

Overall demand continues to be weak across all grades. VLSFO and LSMGO are well supplied/oversupplied. HSFO avails also good, but some tightness for prompt dates due to barge congestion

Hurricane season in the US Gulf has begun and will run through early October. Periods of inclement weather affecting bunkering operations should be expected, especially for Offshore locations and Bolivar Roads anchorage.

Trafigura has taken over as the ex-pipe supplier at the Enterprise Hydrocarbon terminal in Houston. They offer VLSFO and LSMGO via ex-pipe and HSFO by barge.

Panama

	VLSFO	HSFO	MGO
Availability			
Days of notice	5-7	5-7	5-7
Demand			

The market is still very quiet.

Gibraltar

	VLSFO	HSFO	MGO
Availability			
Days of notice	7	10	7
Demand			

Port Louis

	VLSFO	HSFO	MGO
Availability			
Days of notice	4-6	5-7	4-6
Demand			

Quiet demand in Port Louis this week; fishing vessels taking up most of the noted volume for gasoil which has remained steady. VLSFO and HSFO remain relatively tight, however, the recent replenishment will amend the shortfall.

Durban

	VLSFO	HSFO	MGO
Availability	■■■■□	■■■□□	■□□□□
Days of notice	4-6	4-6	3-5
Demand	■■□□□	■■□□□	■■□□□

Durban demand remains slow, with suppliers looking at shifting product to other ports if they can. One supplier has started to show HSFO avails in Richards Bay as an example.

Walvis Bay

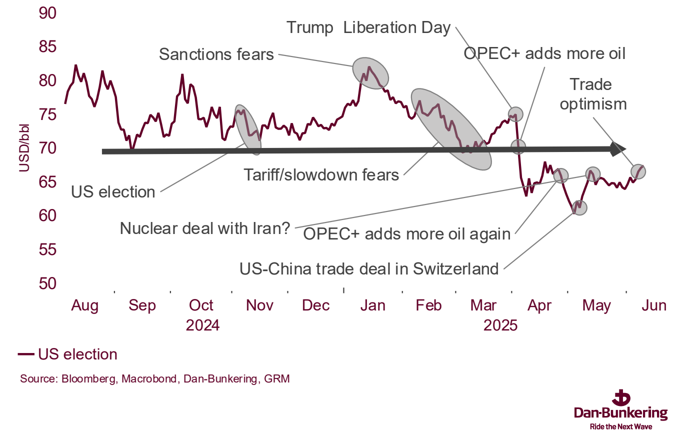
	VLSFO	HSFO	MGO
Availability	■■■□□	■■□□□	■■■□□
Days of notice	4-6	5-7	4-6
Demand	■■□□□	■■□□□	■■■□□

Gasoil in port by truck saw regular action this week, whilst offshore demand remained slow. Rumours of a new supplier in the market are emerging, with a barge able to supply in-port.

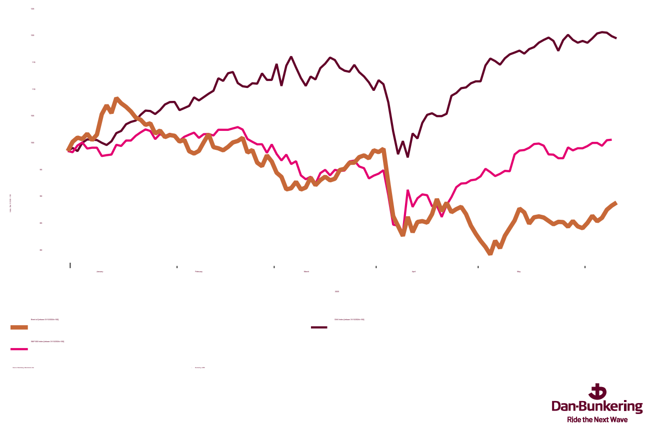
Brent edge higher even as OPEC+ hikes production

Brent traded in a narrow range throughout last week, showing remarkable stability around USD 65. Despite ongoing headlines about rising OPEC+ supply, underlying support remained firm, and the risk bias increasingly tilted to the upside. However, over the last two days, it appears that the narrow trading range has been broken, as Brent is currently trading at USD 67, as the market are optimistic that a trade deal between China and the US will be reached in London.

Brent stable at USD 65



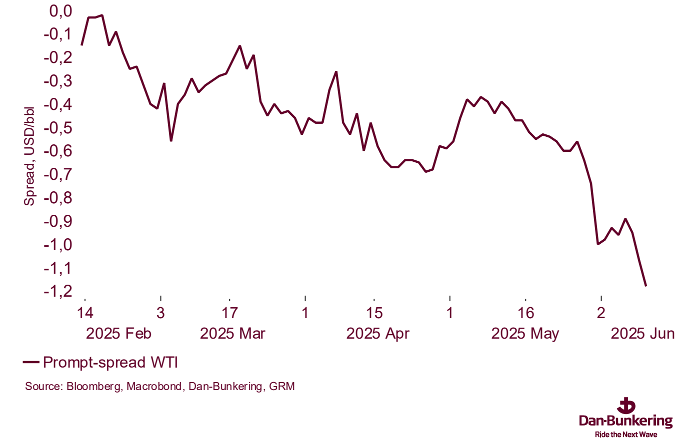
Brent still lagging global rquity markets



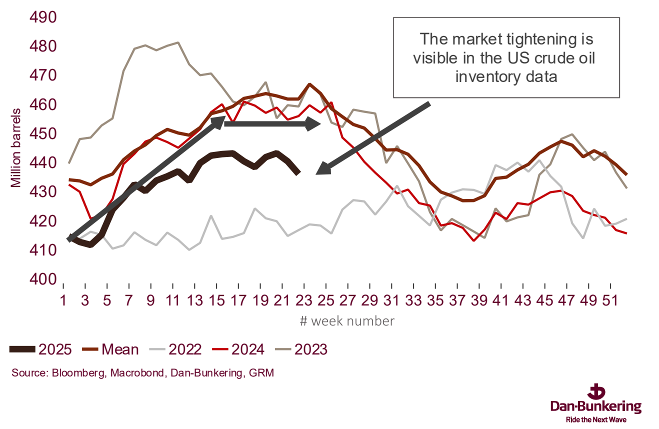
Reports suggested last week that Saudi Arabia may push for another 411,000 barrels per day increase in August, possibly again in September. However, the market reaction was muted, reinforcing the view that fundamentals remain broadly supportive as we head into summer. At the same time, Canadian wildfires took up to 350,000 barrels per day offline, already more than the likely net OPEC+ additions in May. The disruption, centred in Alberta, tightened the US physical market and led to visible backwardation in the WTI curve, with the front-month contract trading at a premium on fears of sharp draws in Cushing, Oklahoma.

US crude inventories remained below both 2023 and 2024 levels. EIA data showed a draw of 4.3 million barrels. Gasoline stocks rose ahead of the driving season, but early signs pointed to strong demand in the US. Meanwhile, global inventories continued to rise, driven mainly by China.

Steep backwardation in the front-end of the oil curves (prompt spread), notably in WTI



US crude oil inventories below 2023-2024 levels, million barrels



The ECB cut interest rates by 25 basis points to 2.00 per cent last week, as expected, and the US market prices a 25 bp cut by September. Hence, global monetary policy has become more supportive, but macroeconomic risks have persisted.

The US, on the other hand, announced that tariffs on steel and aluminium would double from 25 to 50 per cent, a move that could fuel inflation and complicate the Fed's ability to ease. At the same time, tensions with China escalated again over rare earth metals, chip restrictions, and threats to revoke student visas. A renewed trade conflict remains a possibility, though Trump and Xi have been on the phone, and the two countries are now negotiating in London.

Geopolitical risk also stayed front and centre. Trump stated publicly that he had spoken with Putin, repeating Russian threats of retaliation after Ukrainian drone strikes without mentioning Russia's attacks on civilians. Although a new sanctions package is ready in Congress and has bipartisan support, there is little indication Trump would back it. Still, the likelihood of a broader sanctions rollback appears to have diminished.

On Iran, speculation continued over whether Trump might pursue a deal. While a breakthrough could offer a diplomatic win, it also risks backlash if perceived as too soft, potentially triggering unilateral Israeli military action.

Our base case remains that the situation ends with stricter US sanctions. Iranian exports to China already appear under pressure, and if no deal is reached, as much as 1 million barrels per day could be removed from the market.

In summary, the oil market traded with notable stability last week, but the underlying risk factors remain skewed to the upside. Supply disruptions, rising geopolitical tension, and a tightening US physical market offset the bearish narrative of higher OPEC+ supply.

We maintain our forecast that Brent will trade in the USD 65 to 70 range for the remainder of 2025, above both the current spot level and the forward curve.

We continue to see strong technical support in the USD 60 to 64 range and still find value in buying Brent and oil products on dips. In contrast to prevailing market sentiment, we see a greater likelihood of a USD 10 to 20 upside move than an equivalent drop.

Bunker and fuel oil markets: HSFO is losing some of its shine

Reuters reported earlier this month that Saudi Arabia may turn to crude oil for power generation rather than high-sulphur fuel oil (HSFO), as HSFO remains relatively expensive. Burning crude would effectively tighten global oil balances while putting downward pressure on HSFO cracks. With OPEC+ gradually adding more supply, the shift could help support outright crude prices while easing HSFO tightness.

Reuters also reported today that marine traffic through the Red Sea is up 60 per cent after the Houthis narrowed their targets to vessels with links to Israel. However, large container vessels and other heavy users of HSFO continue to divert around the Cape of Good Hope. As a result, we cannot assume that HSFO demand has decreased to the full 60 per cent. The International Bunker Industry Association (IBIA) has estimated that the initial closure of the Red Sea added around 5 per cent to global bunker demand.

At the same time, the VLSFO market has remained relatively strong, though the crack has also narrowed somewhat recently. The VLSFO crack versus Brent widened by roughly USD 4 in May, supported by spill-over effects from a stronger 0.1% market in the Mediterranean following the enforcement of the SECA zone. Supply has also tightened as refineries shifted production toward 0.1% MGO. While SECA might, all else equal, reduce VLSFO demand, the shift in refinery output has helped keep the market supported. There is also speculation that Middle Eastern utilities may turn to VLSFO as a substitute for HSFO due to pricing.

Another factor is how much additional heavy or sour crude OPEC+ will actually deliver. An increased supply could ease the current HSFO tightness, but any renewed US sanctions on Iran would remove heavy crude from the market, thereby supporting HSFO cracks.

However, it appears that HSFO has lost some of its shine in the paper market ahead of the peak demand season, notably in Singapore. The inventory situation looks more tight in ARA. Note that the inventories do not distinguish between HSFO and VLSFO. We have also observed that the HI5 or scrubber spread has moved slightly higher.

One of the key structural support factors for HSFO demand has been the switch from VLSFO to HSFO, driven by the increasing number of vessels equipped with scrubbers. However, if we examine the latest numbers for bunker sales in Singapore and Rotterdam, it appears that this trend has been less pronounced in the first three to four months of the year.

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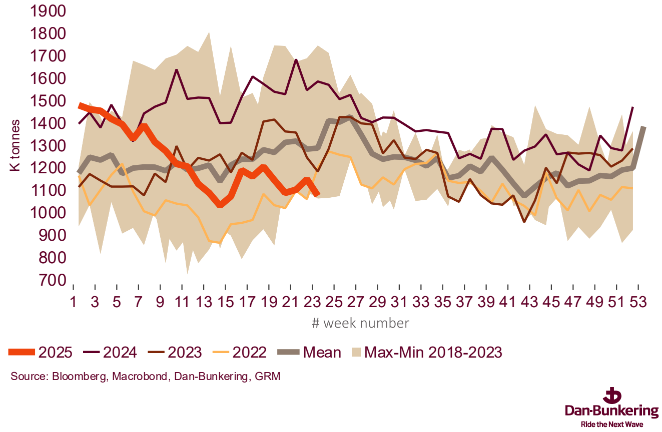
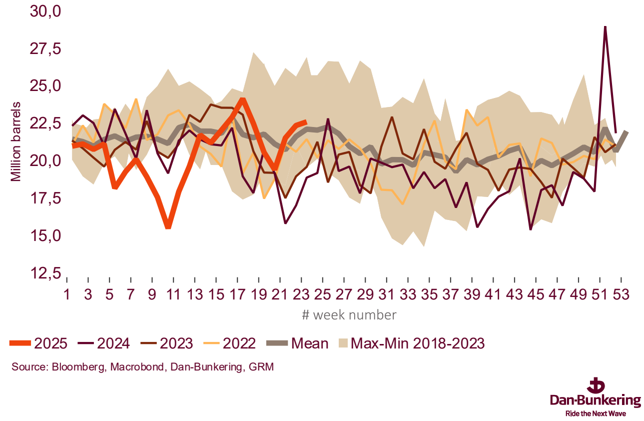
Fuel oil inventories, ARA



Residue inventories Singapore



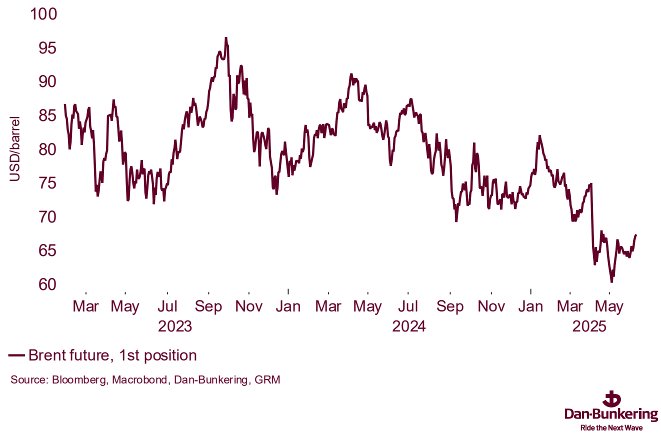
Price forecast

	Spot	Q2 2025	Q3 2025	Q4 2025	avg. 2025	avg 2026
Brent, USD/bbl	67,5	66	68	68	69	68
ICE Gasoil, USD/MT	649	637	653	656	666	656
HSFO (1M 3.5% Rotterdam Barge), USD/MT	405	403	417	413	425	413
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	456	454	468	470	474	470

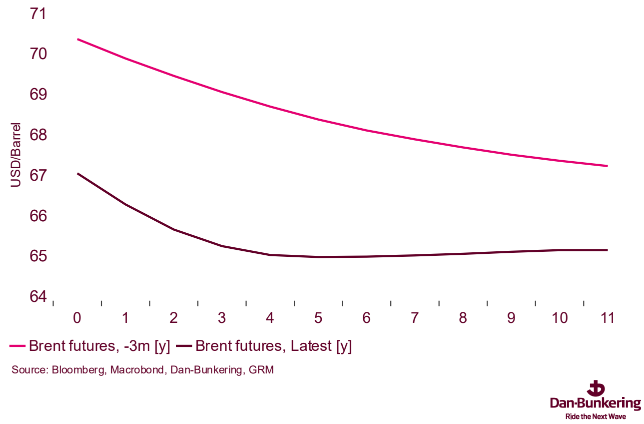
Source: Dan-Bunkering, indicative spot-prices based on Bloomberg 1M fair-value

Overview Charts:

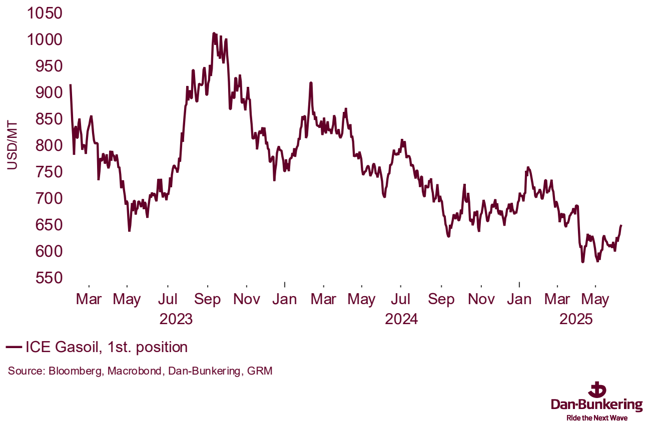
Brent oil



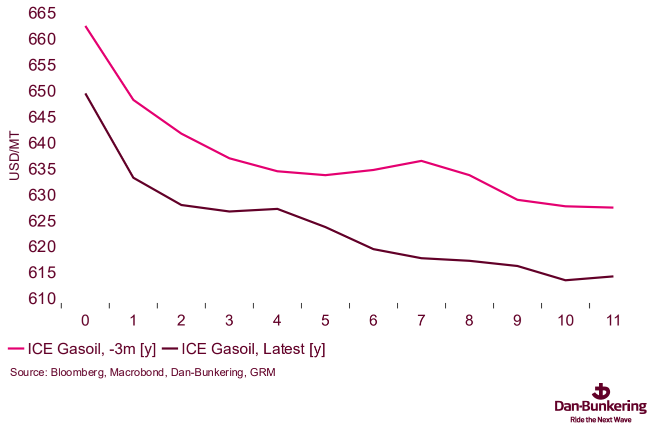
Brent forward curve, indicative prices



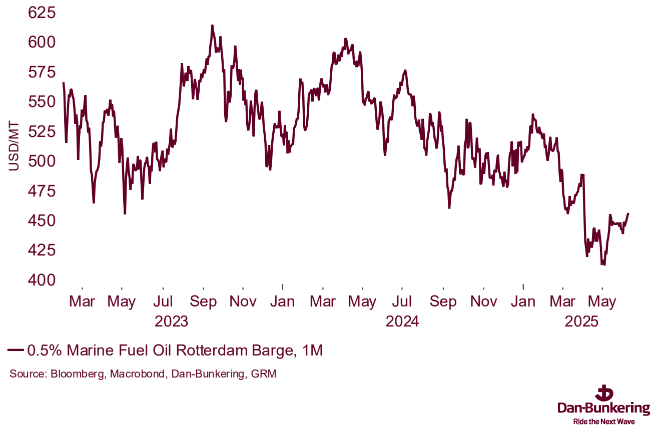
ICE Gasoil



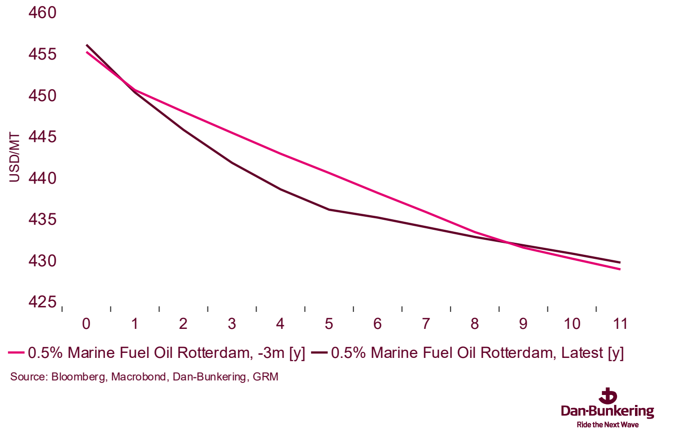
ICE Gasoil forward curve, indicative prices



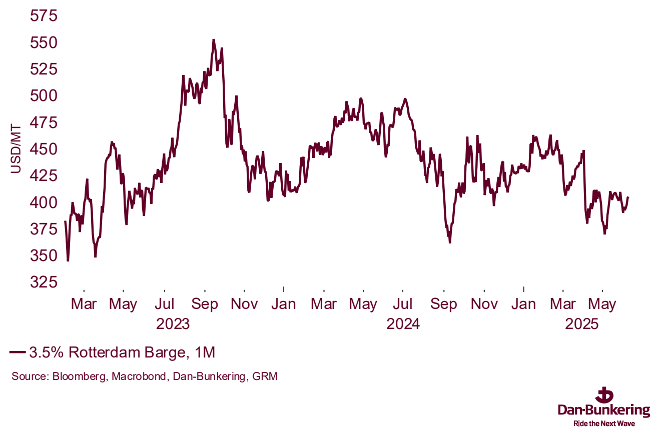
0.5% Marine Fuel Oil Rotterdam Barge, M1



0.5% Marine Fuel Oil Rotterdam Barge Forward Curve, indicative prices



Rotterdam 3.5% Barge



Rotterdam 3.5% Barge forward curve, indicative prices