Dan-Bunkering

Ride the Next Wave

Weekly Market Report

August 11, 2026

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

Bunker Port Brief

Singapore

	VLSFO	HSFO	MGO
Availability	■■■□□	■■■□□	■■■□□
Days of notice	14	11	7
Demand	■■■□□	■■■□□	■■■□□

ARA

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

Avails remain tight, but in combination with slow demand discounts remain under pressure as well.

Fujairah

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

Demand is still dull in the Middle East ports and no sign of coming back to life soon. Product availability on the VLSFO and HSFO grades have tightened up due to limited cargo availability in the market and the lack of demand isn't helping suppliers either. We expect this situation to persist and continue for the rest of the week at least till some new cargoes arrive and suppliers can load some product later this week.

Zhoushan

	VLSFO	HSFO	MGO
Availability	■■□□□	■■□□□	■■■■□
Days of notice	7	8	4
Demand	■■■□□	■■■□□	■■□□□

A typhoon is hitting Zhoushan area and will last for 3-4 days.

Vessels from Yangtze for bunker call Zhoushan will increase and barge will be tight. Premium will stay at similar level. If there is a typhoon, premium is expected to go down by 10usd/mt.

Panama

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

Market is picking up.

Durban

	VLSFO	HSFO	MGO
Availability	■■■□□	■□□□□	■■■□□
Days of notice	4-7	8-12	5-7
Demand	■■■□□	■□□□□	■■□□□

Another quiet market this week in Durban. Poor weather has hampered berthing schedules in addition to the quiet market.

VLSFO avails remain strong, HSFO is tightening however.

Port Louis

	VLSFO	HSFO	MGO
Availability	■■■□□	■■□□□	■■□□□
Days of notice	8-13	12-16	8-12
Demand	■■■□□	■■□□□	■■□□□

HSFO avails are tight in the PL market with replenishments delayed. Same remains for Gasoil.

VLSFO avails are OK, however many suppliers are fully booked with loading and supply schedules until 20/22 August already.

Walvis Bay

	VLSFO	HSFO	MGO
Availability	■■■□□	■□□□□	■■□□□
Days of notice	10-14	14-20	5-8
Demand	■■■□□	■□□□□	■■□□□

HSFO remains tight in the region; VLSFO avails have been improving.

VLSFO premiums remain some of the sharpest in the region in comparison to other regional ports. Poor weather remains in the SW African region and supplies continue to be taken at anchorage.

Gibraltar

	VLSFO	HSFO	MGO
Availability	■■■■□	■■■■□	■■■■■
Days of notice	7	7	7
Demand	■■■■□	■■□□□	■■■■■

Malta

	VLSFO	HSFO	MGO
Availability	■■■□□	■□□□□	■■■■□
Days of notice	7	7	7
Demand	■■■□□	■□□□□	■■■■■

Cargo replenishment still an issue, causing issues on the loadings and availability especially on ULSFO & LSMGO.

In this issue, we provide an update and discuss the outlook for oil and bunker prices in light of the latest geopolitical developments. We also look at the EUA market ahead of the September 30 deadline for surrendering allowances for 2025 emissions.

Geopolitical update: Deal optimism is fading

Higher oil as an imminent reopening of the Strait of Hormuz is unlikely

This week, optimism about an imminent agreement and reopening of the Strait of Hormuz (SoH) has faded. Iran says negotiations with Oman are progressing and that the shipping routes have largely been agreed. However, Tehran has made it clear that an agreement with Oman does not automatically mean that the Strait will reopen.

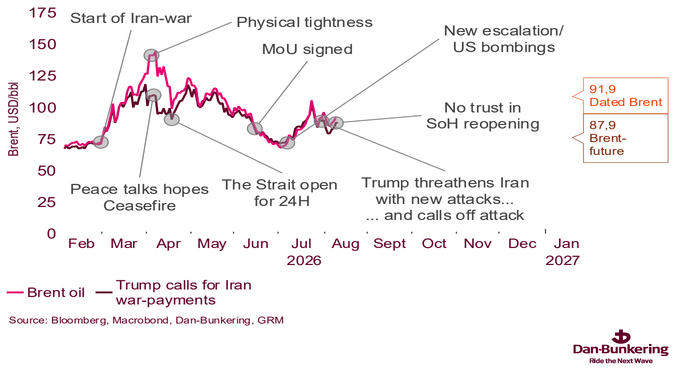
Iran says that reopening requires the US to lift sanctions, end its naval blockade and military threats, and compensate Iran for damage caused by US and Israeli attacks. Trump responded by demanding compensation from Iran for people killed or injured by Iranian actions during the past 50 years.

Trump has therefore moved from keeping a relatively low profile to raising new demands that Iran is unlikely to accept. This has reduced confidence that a deal is close and once again highlights the gap between optimistic statements from the White House and the parties' actual positions.

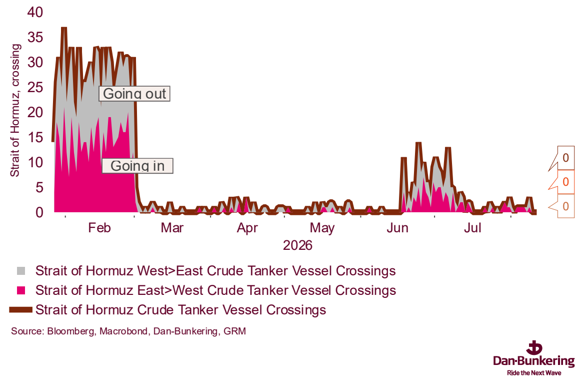
Brent closed around USD 82 on Friday evening but rose by more than 5% on Monday and briefly touched USD 90 on Tuesday morning. It subsequently eased to around USD 87.5 after Qatar said that the talks had reached an advanced stage. However, no agreement has been signed, and there is no indication that the US has accepted the proposed arrangement.

Physical flows continue to support a substantial geopolitical risk premium. Few vessels pass through the Strait according to AIS data, though more, notably tankers, go through without the AIS transponder being turned on. The risk picture has also broadened. A new Houthi attack on a cargo vessel in the Bab el Mandeb Strait reportedly killed three crew members, underlining that both major maritime routes out of the Middle East remain exposed.

Brent moving higher again as no faith in reopening...



... and few crude oil tankers passing SoH (AIS-based)



Oil and bunker update: Oil market to stay supported, though weak Chinese crude oil imports cap upside

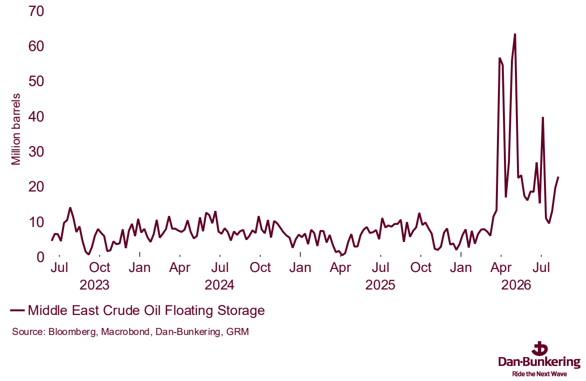
The renewed geopolitical uncertainty means we expect the market to be supported over the coming weeks. The market may increasingly buy into a narrative that the reopening of the SoH will drag out for months. The time is working for Iran as the war and the high gasoline prices are major issues for the Republican Party ahead of the midterm elections. The latter ironically makes it more likely that the US will strike a deal with Iran that leaves Iran in control of the SoH.

If the SoH reopens, the process is likely to be gradual. We will likely initially see a "ketchup effect" as oil starts to move out of the region, even though there is less oil stored on tankers in the Gulf than during the first reopening.

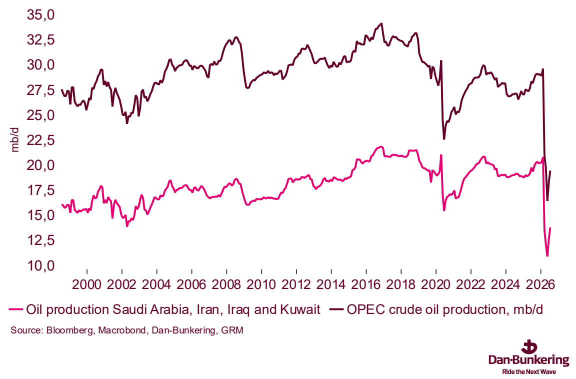
Importantly, global inventories have been depleted and now need to be rebuilt. We have "borrowed oil barrels from the future", as we framed it before the summer. Oil production in the Gulf also needs to recover from the current low level.

This is also why we strongly doubt that Brent will return to the range between USD 60 and USD 70 seen during the first two months of the year, before the war began. Finally, any reopening is likely to be fragile. Furthermore, more choke points are impacted. Strait of Hormuz remains effectively closed, the Houthis ' campaign seems to impact shipping in the Red Sea, the latest Iranian attacks on an LNG vessel in Egypt may even put the Suez Canal at risk, and finally, social unrest has broken out in Libya, coupled with drone attacks, potentially threatening Libyan oil exports. Add to that the successful Iranian attacks on Russian energy infrastructure that have already led to a stop for Russian diesel exports. The oil loadings from Kazakhstan at the CPC terminal in Novorossiysk have also been affected by the war in Ukraine.

Less oil is stored on tankers in the Middle East now



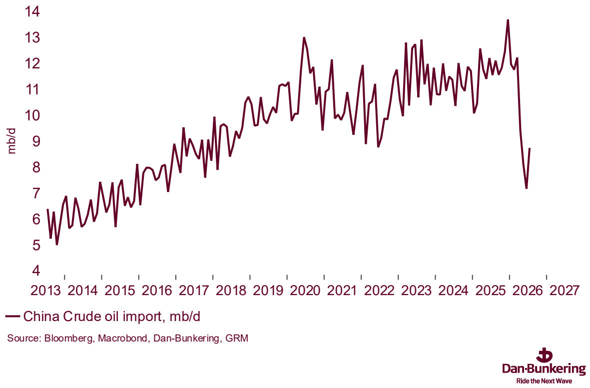
Oil production in OPEC and in Saudi Arabia, Iran, Iraq and Kuwait, mb/d



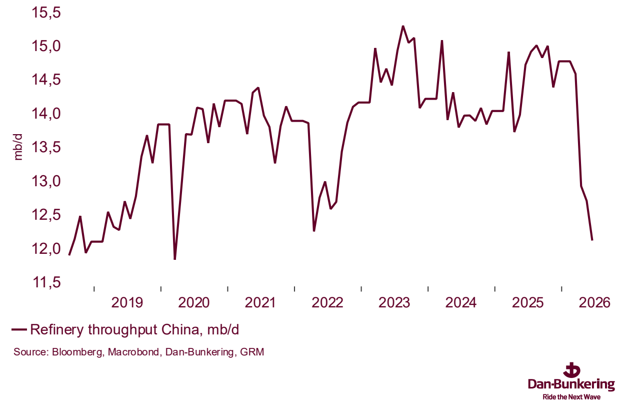
An important factor keeping a lid on oil prices even if the situation in the Middle East escalates is Chinese crude oil imports. Data for July showed a small increase from June. However, imports are still more than 3 million barrels per day below the level seen before the war. Weak Chinese crude oil imports remain a key factor keeping oil prices down, as they plug a large share of the supply shortfall caused by the closed SoH.

However, it also means there is little immediate prospect of China increasing its exports of refined products.

Chinese oil imports were also low in July



Refinery run in China remains low as crude imports are limited



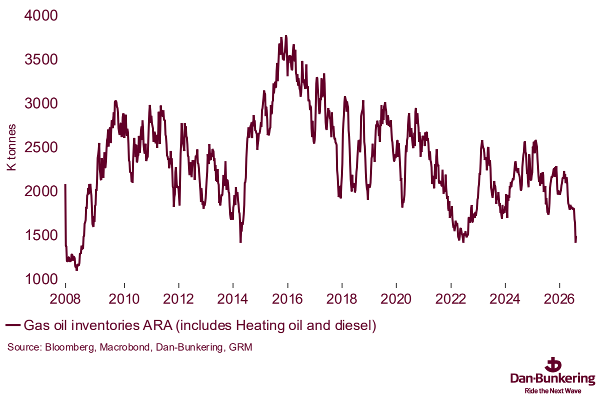
Gasoil remains supported

In the European gasoil and diesel market, ARA inventories increased slightly last week. However, they remain at a very low level. Part of the increase may reflect products building up in the ARA region because of the extremely low water level on the Rhine, which has fallen to just 10 cm at the key measuring point of Kaub. This limits the volume of products that can be transported by river into Germany.

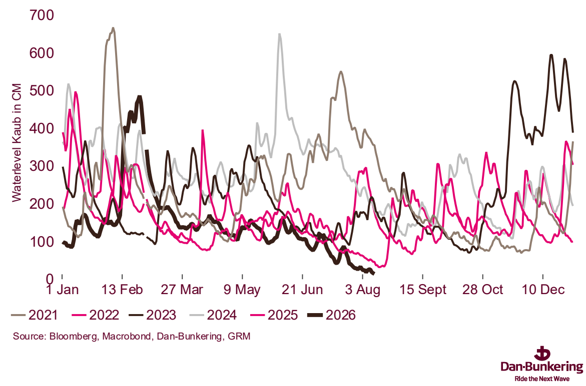
The chart below shows ARA inventories of gasoil, diesel and heating oil, together with the water level on the Rhine at Kaub.

The benchmark front-month ICE gasoil crack (1M) also remains elevated around USD 72/bbl, and the curve remains in backwardation. The gas oil and MGO markets are also tight in Singapore.

ARA gasoil/diesel inventories remain low



Low water level in the Rhine, Kaub



Hedging implications

We argue that the current price levels are attractive to customers looking to hedge their bunker exposure over the next 6 to 9 months. Note that the curve remains in backwardation. This applies, not least, to distillates such as gasoil, diesel, MGO, and jet fuel.

Looking towards the second half of 2027 and into 2028, the focus may again shift to market oversupply as inventories are rebuilt.

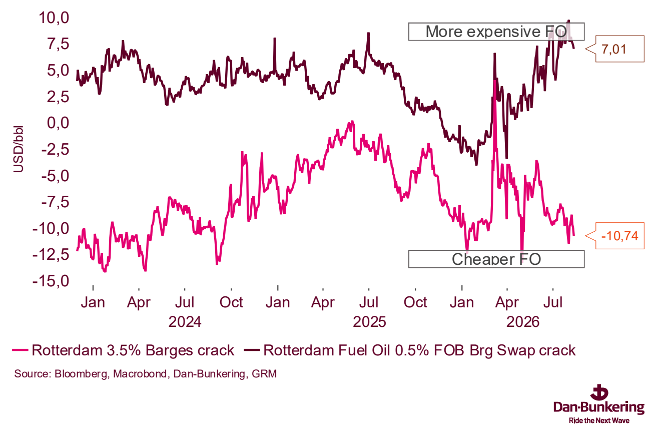
Bunker/fuel update

In the bunker and fuel market, HSFO remains under pressure, notably in Rotterdam. Among other things, the high refinery runs add to the residual oil supply.

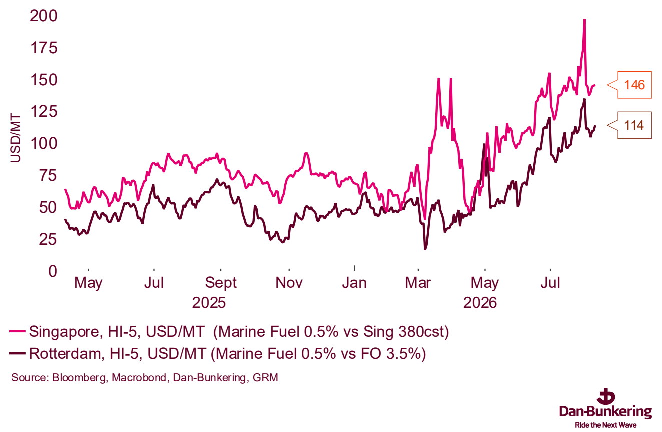
By contrast, we continue to see a tight VLSFO market in both ARA and Singapore. In the paper market, the VLSFO crack continues to widen. VLSFO is a blending product that competes with refineries for the same feedstock.

The strong VLSFO market means that the Hi5 and scrubber spread continues to widen. See the charts below.

Stronger cracks in VLSFO relative to HSFO ...



... has pushed the HI5/scrubber spread higher



EUA Update: Market to see price support ahead of September 30 deadline

EU ETS reform: Limited impact now, more supply later

The European Commission presented its long-awaited proposal for revising the EU ETS on 17 July. The most important conclusion is that the Commission has resisted pressure from several member states to introduce direct controls on EUA prices.

The effect on the market balance before 2031 is limited, and the EU ETS will continue to operate as a market-based system. Compared with some of the more interventionist proposals discussed before the publication, this should be viewed as supportive for EUA prices.

Supply: The main impact comes after 2030

The proposal does not reduce the supply of allowances in the coming year compared with current legislation. Instead, it slows the rate of supply decline after 2030.

The linear reduction factor, which determines the annual reduction in the EUA cap, will fall from 4.4% to 3.7% between 2031 and 2035, then to 1.7% from 2036 onward. This would increase the total cap for 2031 to 2040 by around 1.4 billion allowances compared with current legislation.

This is bearish for the longer-term outlook. However, the changes remain several years away, and we doubt they will have a meaningful impact on EUA prices during the next 18 months.

Changes are also proposed for the Market Stability Reserve. Based on the expected number of allowances in circulation, the revised rules are unlikely to have much impact before 2030. Over the longer term, however, the reserve may absorb fewer allowances from the market.

Demand: Limited relief for industry, mainly after 2030

European industry will receive some additional breathing room. The phaseout of free allowances under CBAM will be slower than under current legislation, with the complete phaseout postponed until 2038. Higher fallback benchmarks will also increase free allocation to some industrial sectors.

These measures do not necessarily increase the overall EUA cap before 2030. Instead, they shift allowances from auctions to free allocation and reduce the amount that some companies must purchase in the market.

From 2031, permanent carbon removals within the EU may also be used for compliance under certain conditions. International credits could become eligible from 2036. Both measures could reduce the need to purchase EUAs over the longer term.

Market impact: Near-term support, but a more bearish outlook after 2030

For the EUA market, timing is crucial. Compared with expectations, the Commission’s proposal was probably on the bullish side for the near term. It appears modestly bullish for 2027 and 2028, broadly neutral through 2030 and increasingly bearish thereafter.

The risk of direct political interference has declined, but it has not disappeared. The proposal must now be negotiated by the European Parliament and the Council, and significant changes remain possible.

Italy and several Eastern European countries have lobbied for less stringent rules. Germany has also warned that the EU ETS should not undermine European competitiveness. The current high gas prices are likely to add to the political pressure for an easing of the regulation. Nordic countries, on the other hand, have warned that easing the regulations too much may endanger the emissions targets.

In theory, a more bearish outlook after 2030 should already be reflected in current prices. In practice, markets often struggle to price regulatory changes that are more than three years away and remain subject to political negotiations.

For the next 18 months, we therefore continue to see underlying support for EUA prices from a tight market balance.

Short-term price drivers: The surrender deadline is approaching

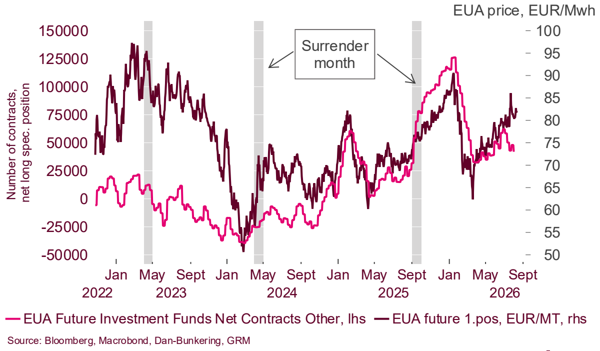
The market is currently supported by the continuing heatwave in Europe, which is increasing electricity demand. At the same time, several nuclear power plants are experiencing problems due to low river levels. This increases the use of gas and coal for power generation and, therefore, the demand for EUAs. We have also seen that speculative investors have slowly started buying EUAs again over the last month.

We are also gradually approaching 30 September, the deadline for surrendering EUAs for 2025 emissions.

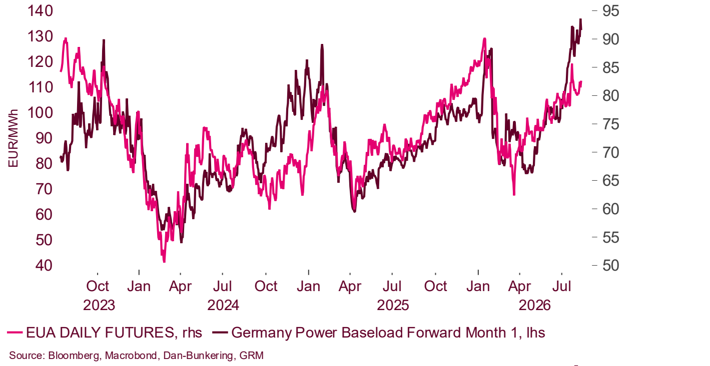
Price developments in September last year, and earlier in April, when that was the surrender month, indicate a tendency for investors and compliance buyers to purchase allowances ahead of the deadline and during the first part of the month. This has often pushed prices higher.

We may see the same pattern this year. Companies that need to surrender allowances should therefore avoid waiting until the last minute to buy EUAs. For practical purposes, we recommend purchasing the EUAs at least two weeks in advance, since transferring EUAs may involve several days of delay in the EU's Union Registry system.

EUAs tend to perform in the beginning of the surrender month, and spec accounts may start buying again



High power prices from more fossil use may tend to push EUA prices higher



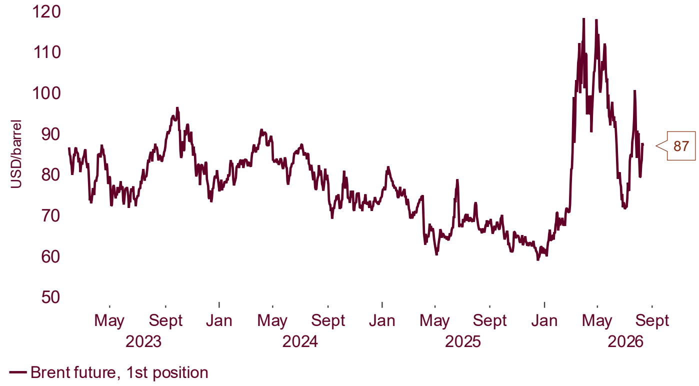
Below is our forecast for oil, bunker fuel, and EUAs, updated as of August 11, 2026.

	Spot	Q3 2026	Q4 2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	avg. 2026	avg. 2027
Brent, USD/bbl	87,2	78	72	71	71	70	68	81	70
ICE Gasoil, USD/MT	1314	916	864	827	790	782	767	940	808
HSFO (1M 3.5% Rotterdam Barge), USD/MT	470	445	406	394	394	400	387	471	394
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	584	540	495	483	476	470	457	542	471
EUA spot, EUR/MT	82	84	92	93	94	95	96	82	95

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

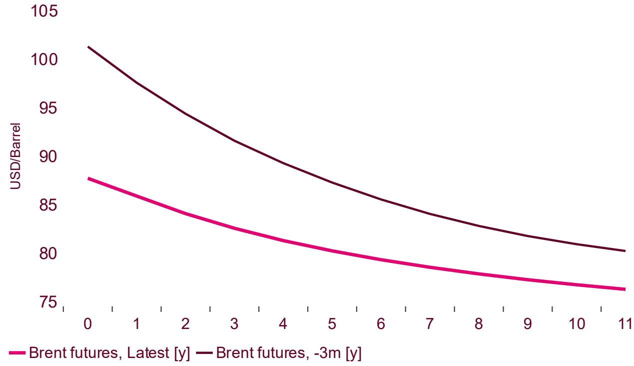
Overview Charts:

Brent oil



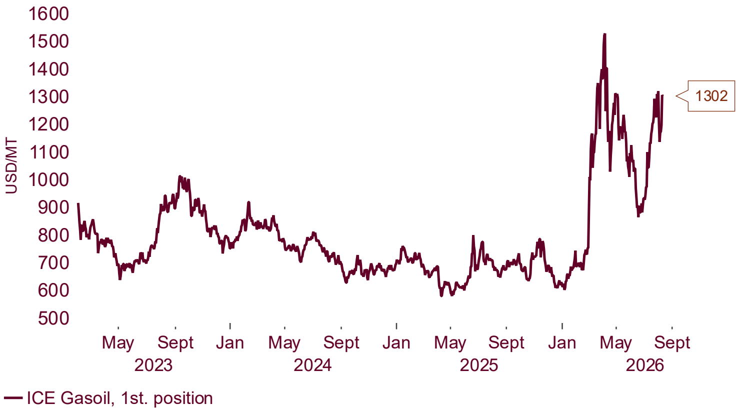
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

Brent forward curve, indicative prices



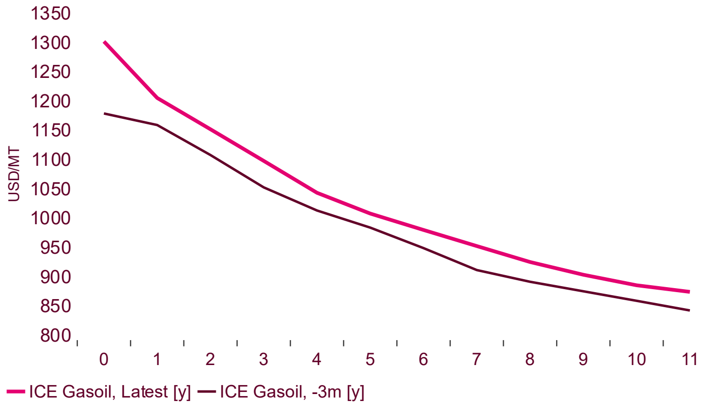
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

ICE Gasoil, 1. Pos.



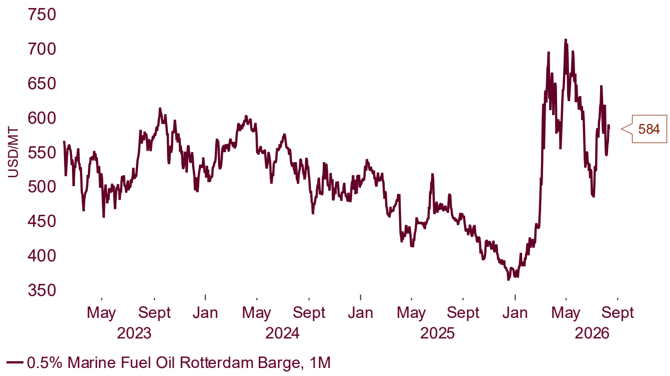
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

ICE Gasoil forward curve, indicative prices



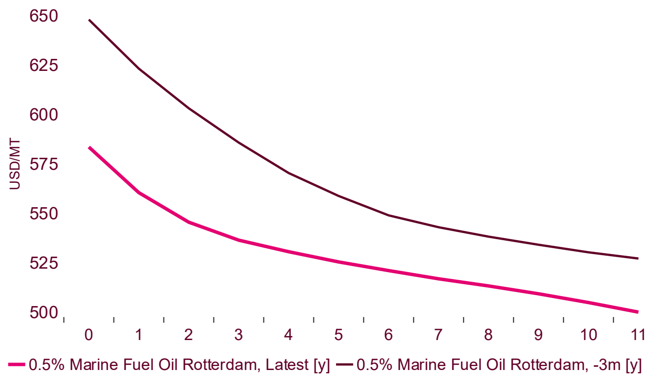
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

0.5% Marine Fuel Oil Rotterdam Barge, M1



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

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

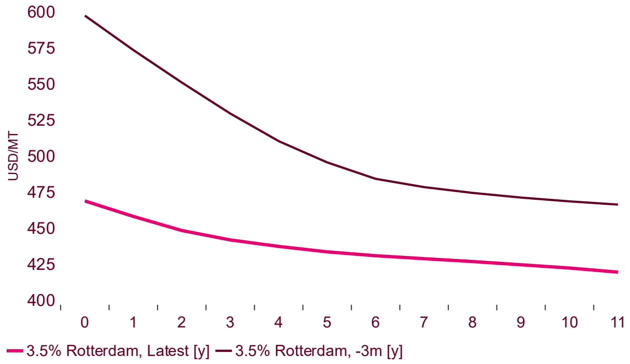


Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

Rotterdam 3.5% Barge

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

Rotterdam 3.5% Barge forward curve, indicative prices



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM