

Weekly Market Report

October 6, 2026

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

Bunker Port Brief

Singapore

	VLSFO	HSFO	MGO
Availability			
Days of notice	10	8	6
Demand			

ARA

	VLSFO	HSFO	MGO
Availability			
Days of notice	5-7	5-7	2-3
Demand			

Mostly well-supplied market, but on prompt both VLSFO / HSFO are tight on avails.

New York

	VLSFO	HSFO	MGO
Availability			
Days of notice	5	6	4
Demand			

Demand is still strong into Q4 on contract, spot demand waning. Premiums to indices still high on VLSFO and LSMGO, HS premium to Sing static and seeing demand. Distillate avail into winter will be an issue.

Fujairah

	VLSFO	HSFO	MGO
Availability			
Days of notice	5	2	2
Demand			

VLSFO premiums are firming on tight cargo availability, although further arrivals expected in October should provide some relief. HSFO supply remains ample, with premiums under downward pressure amid oversupply. Bunker operations are running normally despite ongoing regional tensions.

Durban

	VLSFO	HSFO	MGO
Availability			
Days of notice	8-16	7-15	5-10
Demand			

Tight avails and a lack of barges are pushing premiums up significantly in Durban. Replenishment dates are still unknown, so this situation is expected to continue in the short term.

Port Louis

	VLSFO	HSFO	MGO
Availability			
Days of notice	8-12	8-12	8-12
Demand			

Avails seem to be improving in the region; demand, however, remains low compared to the last week or two.

Walvis Bay

	VLSFO	HSFO	MGO
Availability			
Days of notice	8-12	8-12	7-10
Demand			

Demand remains constant in WB, and it is currently the port with the most bunker requests from clients in the Southern African region; barge avails remain OK, and premiums are competitive as suppliers try to shift as much volume as they can.

Skaw

	VLSFO	HSFO	MGO
Availability			
Days of notice	4	3	2
Demand			

Nothing of note this early in the week.

Malta

	VLSFO	HSFO	MGO
Availability	    	    	    
Days of notice	3-5	n/a	3-5
Demand	    	    	    

Gibraltar

	VLSFO	HSFO	MGO
Availability	    	    	    
Days of notice	3	4	7
Demand	    	    	    

Demand is still stable – not so many requests in the Straits, maybe due to the market still being high – only the Peninsula at the moment has prompt availability for MGO, as others are waiting for new cargo to come.

Zhoushan

	VLSFO	HSFO	MGO
Availability	    	    	    
Days of notice	10	10	3
Demand	    	    	    

LSFO Premium may drop by 15-18 next week as all suppliers return to the office after the national holiday, and there will be news on the new cargo quota. HSFO Premium may drop by 15-20 as cargo will be arriving on 14. October. LSMGO Premium may remain.

Hong Kong

	VLSFO	HSFO	MGO
Availability	    	    	    
Days of notice	3-5	12-14	2-4
Demand	    	    	    

Avails for HSFO are very tight, with the earliest delivery date on/around 18. October for most suppliers. Some suppliers may be able to offer prompt dates but at very high premiums. Avails for other grades are normal. Demand is lower than usual this week due to the China Golden Week Holidays.

Seoul

	VLSFO	HSFO	MGO
Availability	    	    	    
Days of notice	7-10	22-25	7-10
Demand	    	    	    

Still the same situation. Extremely tight stock availability for HSFO & VLSFO. HSFO stock is especially limited and can only be offered case by case. EDD is far out to the end of the month, and there are no good signs on November stock availability either. All in all, literally limited, tight stock availability with a high premium at this moment.

In this issue of the Weekly Market Report, we cover three sections: crude oil and geopolitics, a special focus on diesel and gasoil (MGO), and the EUA market. We also briefly discuss recent developments in the bunker fuel market, including the elevated East-West spread.

The Weekly Market Report will take an autumn break next week. Several Dan-Bunkering colleagues, including the author of this report, will attend the SIBCON 2026 bunker conference in Singapore. If you are also attending, please reach out and come by our booth.

Note: Deadline for text and charts: Monday, Oct 5th.

Crude oil and geopolitics: More oil is moving, but the recovery remains fragile

The crude market has eased as more barrels leave the Middle East. Middle Eastern exports were close to – and by some estimates briefly above – pre-war levels at the end of September, supported by shipments through Hormuz, STS transfers and bypass pipelines through Saudi Arabia and the UAE. This is a significant improvement, but it should not be confused with a normalisation of supply.

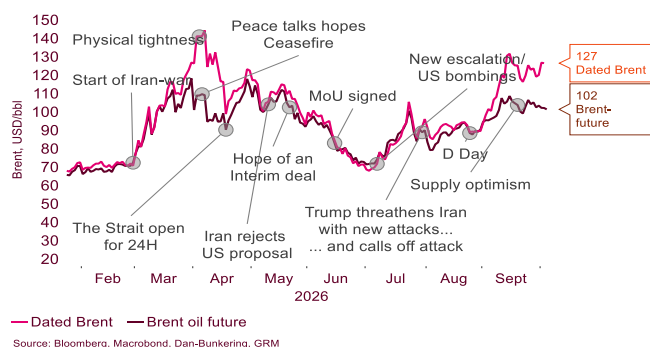
The weekend was another reminder of how fragile the recovery is. Attacks on commercial shipping in and around the Strait of Hormuz have intensified again. At the same time, the Saudi-backed Yemeni government has launched a major offensive against the Houthis, adding renewed uncertainty around Bab el-Mandeb and the Red Sea.

The physical market also remains extremely tight. Dated Brent is trading around USD 127/bbl, well above the futures market. That is an important signal: even though more crude is leaving the Middle East, prompt barrels remain scarce and expensive. Depleted inventories, high freight rates, longer voyages and uncertainty over the reliability of future cargoes continue to support physical prices.

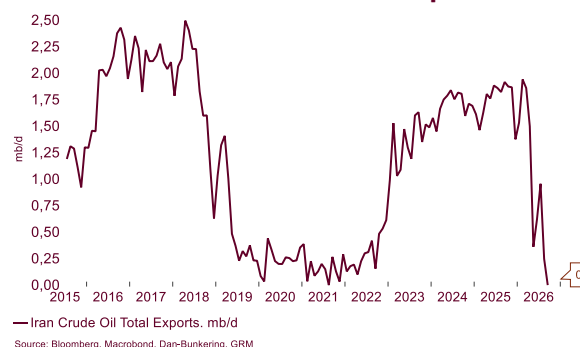
US-Iran negotiations continue, but there is still little to suggest that a lasting agreement is close. Our base case remains that there will be no durable deal before the November midterm elections and that a more lasting reopening of Hormuz is more likely in Q2 2027.

Better flows reduce the immediate pressure, but renewed attacks and the elevated Dated Brent price show why the risk premium cannot disappear. For consumers, price dips still offer opportunities to add near-term hedges, while keeping more flexibility further out.

Dated Brent remain well above the ICE Brent future



US blockade of Iranian crude oil exports is effective.



MGO/gasoil and diesel: Stock releases offer relief, but do not solve the shortage

Diesel and gasoil prices have eased from September's extreme levels, but the underlying market remains tight. The ICE gasoil crack briefly traded above USD 100/bbl in September and the Rotterdam diesel price above USD 200/bbl. Global diesel inventories remain low despite high refinery runs.

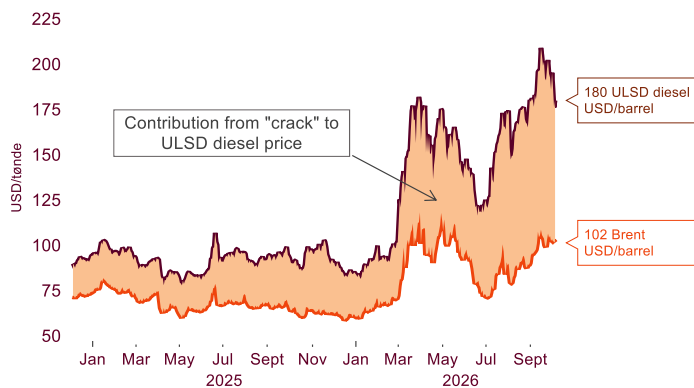
Unlike crude, refined-product flows from the Middle East have not normalised. Estimates still put exports at only around 50-60% of pre-war levels. Russia has extended diesel export restrictions following Ukrainian attacks on refineries, while China has suspended fuel exports for October. The product balance therefore remains considerably tighter than the crude balance.

The major change since Friday is the G7 agreement to release 100 million barrels of crude and refined products from emergency stocks over four months. The release starts immediately, with a substantial amount of diesel expected within the first 20 days. G7 countries also pledged to refrain from imposing energy export restrictions among themselves, reducing – for now – the risk of a US diesel export ban.

There are important caveats. The official agreement does not specify how much of the 100 million barrels will be diesel, and it remains unclear how much represents genuinely additional barrels rather than commitments left over from the 400-million-barrel emergency release agreed earlier this year. A stock release can cool the prompt market, but it does not create new refinery capacity or restore Middle Eastern and Russian supply.

The announcement has nevertheless taken some heat out of the market, and further short-term declines are possible as barrels reach the market. But reserves can only be released once, and renewed disruption in Hormuz, Russia or elsewhere could quickly tighten the balance again. Importantly, the risk of a US export ban should now be smaller. For MGO consumers, the same middle-distillate shortage remains the key risk. We continue to favour using price weakness to add product-specific hedges ahead of winter, particularly where backwardation provides lower forward entry levels.

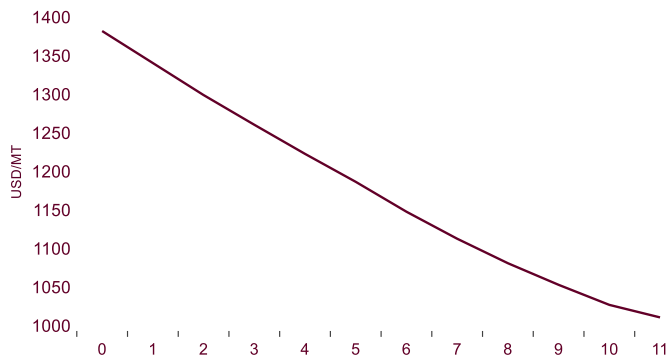
Diesel/gas oil (MGO) pushed higher by higher crack



Y/Y-change in global seaborne gasoil/diesel exports, August 2026



ICE gas oil (diesel/MGO) forward curve, USD/MT



— ICE Gasoil, Latest [y]

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



ICE gasoil crack has edged lower, but still elevated



— ICE gasoil crack current month

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

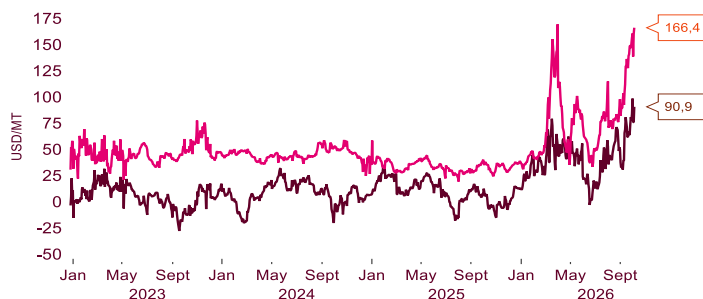


Lower HI5 and elevated East-West spread in the bunker

In the bunker market, MGO remains the product most directly exposed to the tight global middle-distillate market. The VLSFO market in Singapore also remains significantly tighter than in Rotterdam, while the strengthening of the HSFO crack over the past couple of weeks has reduced some of the previously extreme difference between high- and low-sulphur fuel oil (the HI5/scrubber spread).

Notably, East-West spreads remain elevated at or above the levels seen in March/April. Record-high tanker rates make it difficult for fuel to move despite the apparently attractive arbitrage.

East-West spreads remain elevated



— 0.5% Singapore vs Rotterdam (East-West) M1

— 380cst vs 3.5% Rotterdam (East-West) M1

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



But, HSFO cracks are rising again

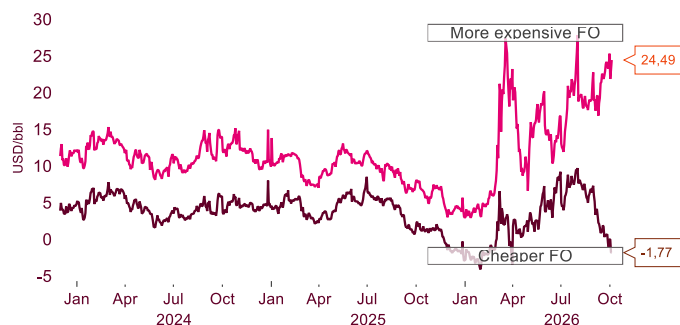


— Rotterdam 3.5% Barges-Brent Crack Month 1 — Singapore 380cst crack (Brent) M1

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



VLSFO cracks are moving in different directions in Rotterdam and Singapore, USD/bbl

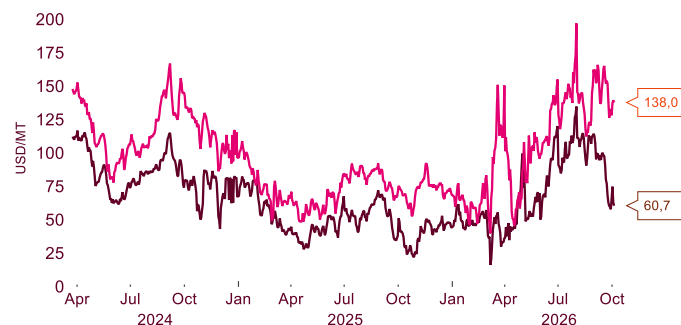


— Singapore Fuel Oil 0.5% FOB Swap vs Brent Swap Crack M1
— Rotterdam Fuel Oil 0.5% FOB Brg Swap crack M1

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



HI-5/scrubber spreads(M1) have dropped notably in Rotterdam



— Singapore, HI-5, USD/MT (Marine Fuel 0.5% vs Sing 380cst)
— Rotterdam, HI-5, USD/MT (Marine Fuel 0.5% vs FO 3.5%)

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



EUAs: Compliance support has faded, but the underlying market remains tight

The 30 September surrender deadline has passed, removing an important source of near-term EUA compliance buying. EUA prices weakened into the end of last week and on Monday, with the December 2026 contract trading below EUR 84/t, down 5% from the September peak.

Attention now shifts towards energy prices, positioning and the increasingly important debate over ETS reform. Expensive gas can still support coal-fired generation and therefore EUA demand. The German clean dark spread for Q1 2027 remains comfortably positive and well above the corresponding clean spark spread for gas. See the chart to the left below.

However, mild weather, renewable generation and weak industrial activity provide counterweights. The passing of the compliance deadline also means the market may be more exposed to selling pressure in the short term.

Political risk is becoming more important. Parliament is discussing changes to the ETS, including mechanisms that could increase supply during periods of high prices, while the Council wants to suspend allowance invalidation in the Market Stability Reserve until the end of 2030. These remain proposals rather than immediate changes to auction supply.

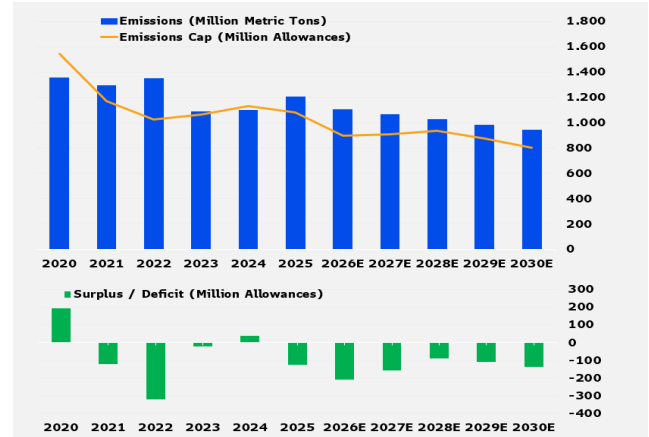
We still expect a tighter market balance in 2027 and 2028 and therefore see value for consumers in adding hedges on price dips. The chart below to the right in the market balance from Bloomberg BI.

But with compliance buying behind us and policy uncertainty rising, the path higher is unlikely to be smooth.

Attractive clean dar spread adds to EUA demand both in spot and hedging



Bloomberg Bi market balance points to a tight EUA market in 2027/28



Below is our forecast for oil, bunker fuel, and EUAs

	Spot	Q4 2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	avg. 2026	avg. 2027
Brent, USD/bbl	101,6	101	90	78	75	75	92	80
ICE Gasoil, USD/MT	1382	1445	1192	954	931	857	1194	983
HSFO (1M 3.5% Rotterdam Barge), USD/MT	551	591	514	438	432	432	538	454
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	611	679	603	521	502	502	610	532
EUA spot, EUR/MT	83	92	93	94	95	96	82	95

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

See also [Commodity Budget Outlook 2027](#), which our colleagues at Global Risk Management (GRM) published two weeks ago. In the report, GRM takes a closer look at the outlook for key commodities in 2027, including bunker fuel. The report also discusses the main risk factors. GRM is active in the energy and emissions paper market.

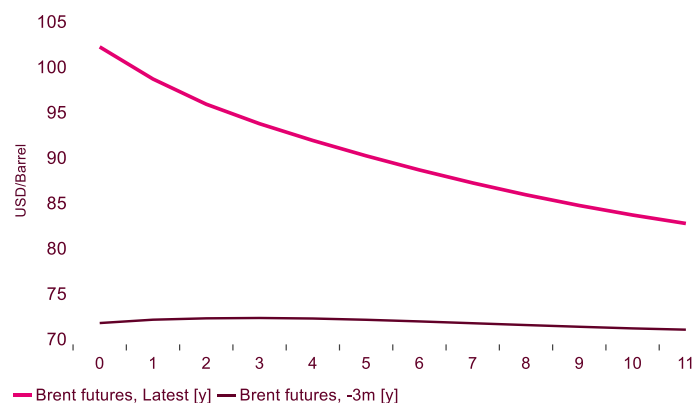
Overview Charts:

Brent oil

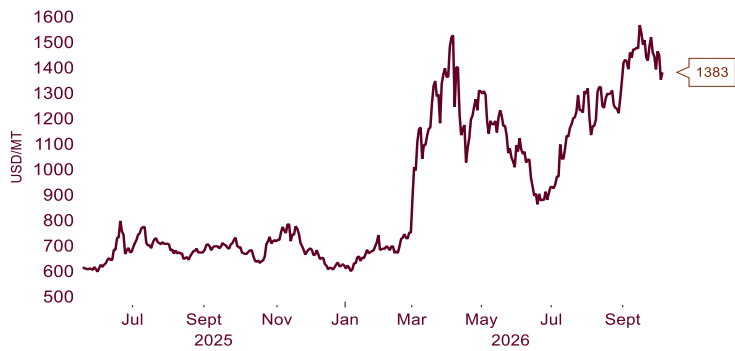


Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

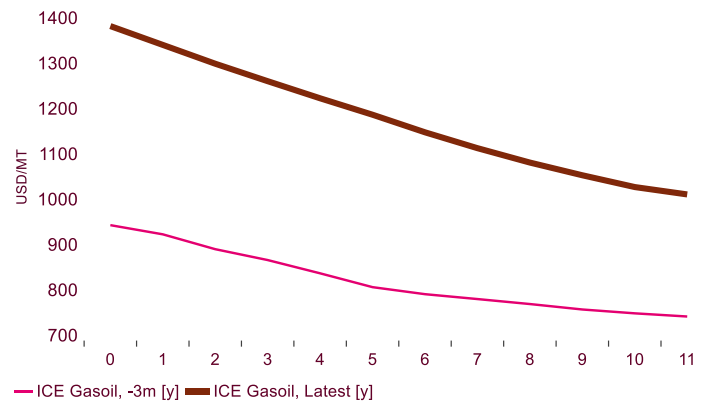
Brent forward curve, indicative prices



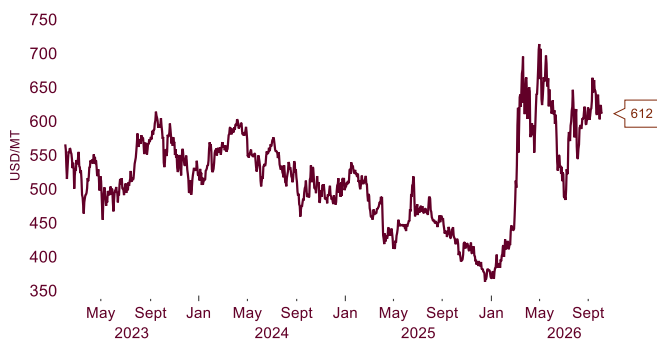
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

ICE Gasoil, 1. Pos.

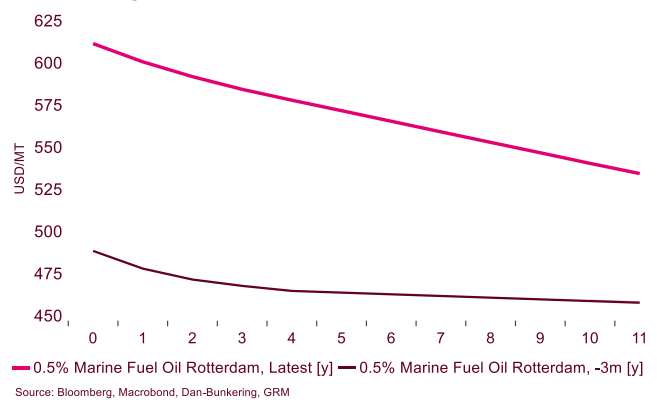
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

**ICE Gasoil forward curve, indicative prices**

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

**0.5% Marine Fuel Oil Rotterdam Barge, 1M**

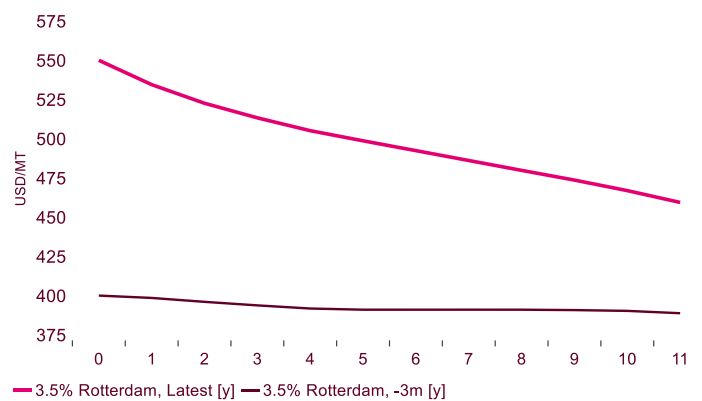
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

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

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

**Rotterdam 3.5% Barge**

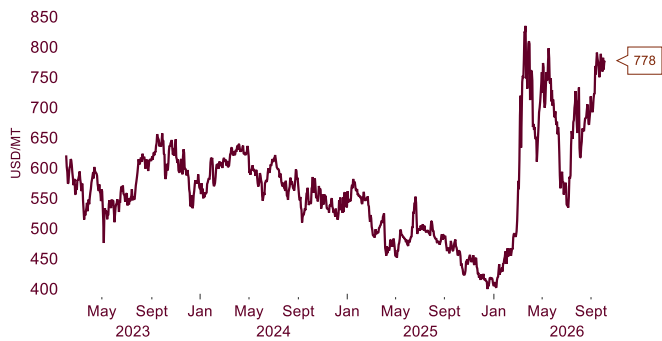
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

**Rotterdam 3.5% Barge forward curve, indicative prices**

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



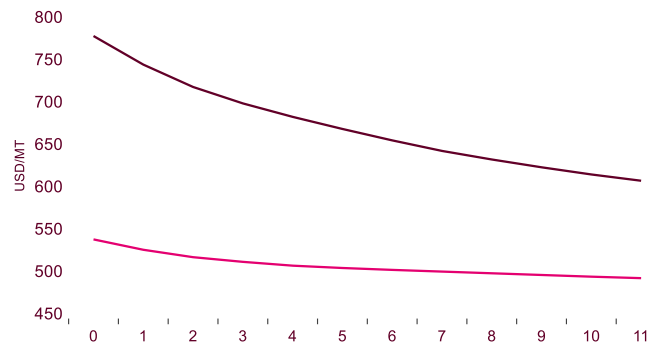
Singapore FOB 0.5% Marine Fuel Oil swap 1M



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



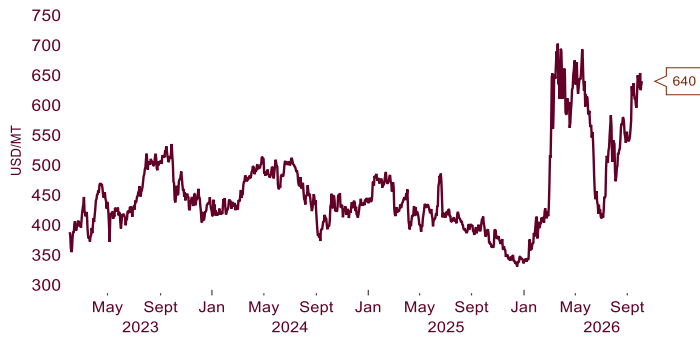
Singapore FOB 0.5% Marine Fuel Oil swap forward curve, indicative prices



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



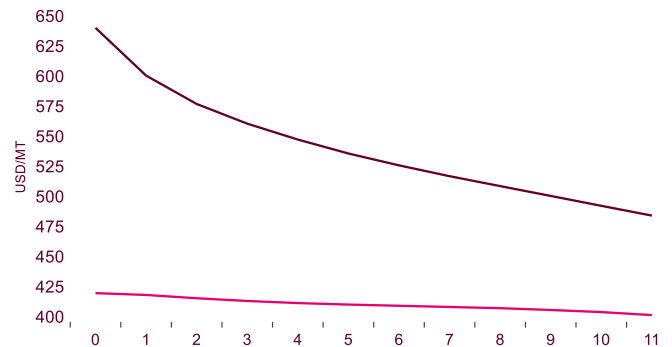
3.5% Singapore 380 CST FO swap, M1



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



3.5% Singapore 380 CST FO Forward Curve, indicative prices



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

