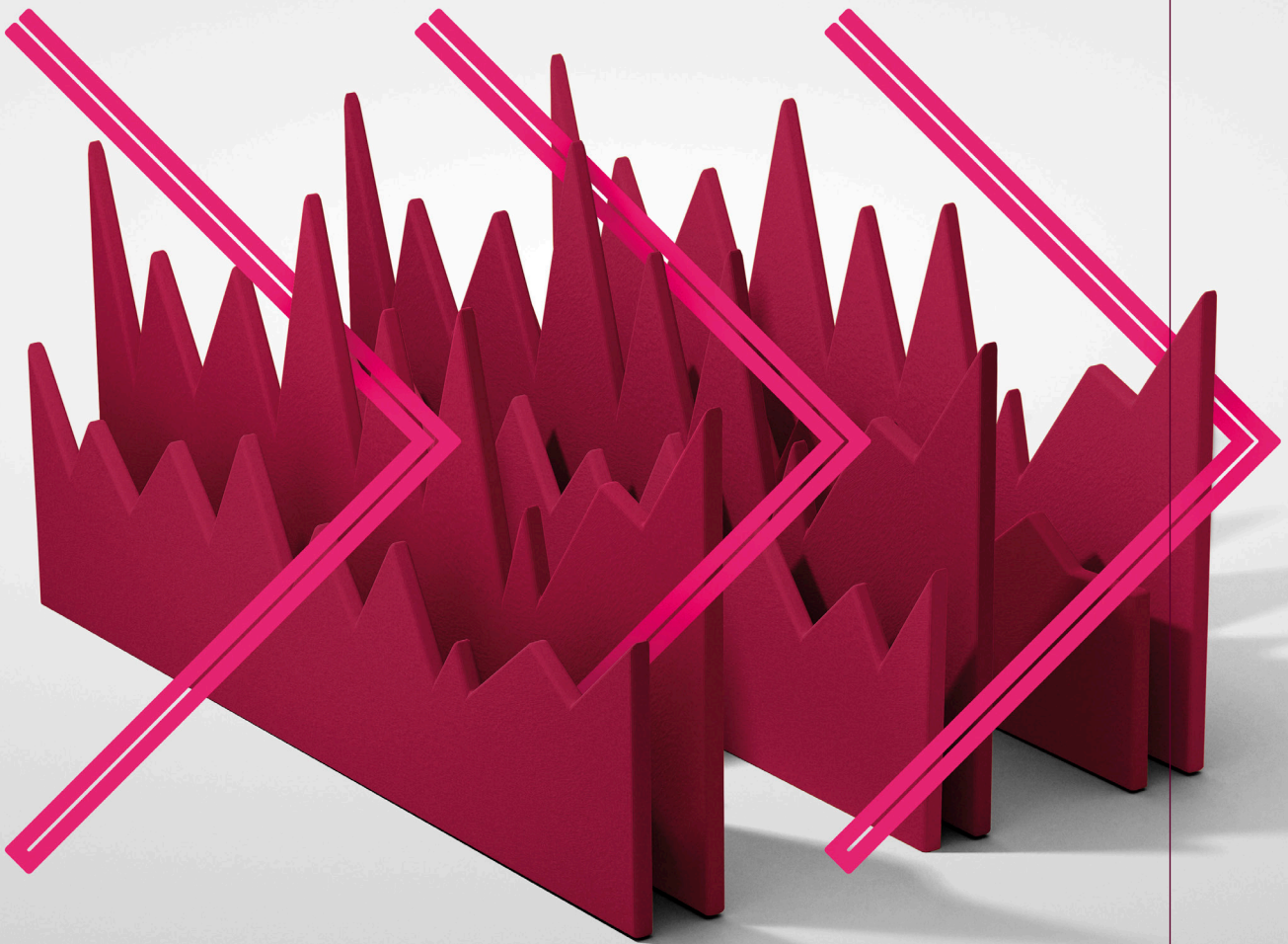


Weekly Market Report

November 5, 2024



Bunker Port Brief

Singapore

| | VLSFO | HSFO | MGO |
|----------------|-------|------|-----|
| Availability | | | |
| Days of notice | 10 | 11 | 4 |
| Demand | | | |

The Asian LSFO market is expected to stay rangebound as limited Middle Eastern supplies balance Russian inflows, despite strong refining margins reducing feedstock demand.

The Asian HSFO market has strengthened over the past week, recovering from an early October dip, with supply likely to improve as Middle Eastern cargoes arrive.

The Asian LSMGO market is expected to remain strong in the week ending Nov. 8, supported by spot buying interest from Indonesia and anticipated low export volumes from China.

ARA

| | VLSFO | HSFO | MGO |
|----------------|-------|------|-----|
| Availability | | | |
| Days of notice | 6-8 | 7-9 | 5-7 |
| Demand | | | |

The market for HSFO and VLSFO has been improving but is still tight. Towards December, refinery maintenance will wind down and should further improve supply.

The market for MGO is similar, with high premiums as a result of the tight market. The tightness should gradually improve over the next weeks.

Fujairah

| | VLSFO | HSFO | MGO |
|----------------|-------|------|-----|
| Availability | | | |
| Days of notice | 2 | 2 | 2 |
| Demand | | | |

The market is weak with Fujairah swimming in VLSFO and HSFO. Demand is steady but is being outweighed by a large oversupply of both product and barge.

The market has seen 2 HSFO suppliers now enter the market for VLSFO also, adding more woes to the oversupply.

This equates to severe pressure on delivered prices which are often trading below ex-wharf levels on VLSFO in recent weeks.

New York

| | VLSFO | HSFO | MGO |
|----------------|---|--|---|
| Availability |  |  |  |
| Days of notice | 5 | 7 | 1 |
| Demand |  |  |  |

Heavy demand for HSFO from liners, and VLSFO demand I'd say ticking up. MGO demand is static and well supplied, with the premium on disty increasing into the winter season.

Houston







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

HSFO avails situation has normalized. Adequate avails for new business 5-7 days out. Prompt avails will still be tight.

Inclement weather (wind, sea swells and fog) has caused bunkering offshore US Gulf and at Bolivar Roads to be suspended for several days. Expect poor weather to continue in both of these locations through the end of the year as cold fronts start to move in causing high winds and dense fog.

Operational delays should be anticipated when booking bunkers Offshore US Gulf and at Bolivar Roads. Vessels in absolute need of delivery on arrival at these locations should also have a fallback plan in case weather-related delays are experienced.

Gibraltar

| | VLSFO | HSFO | MGO |
|----------------|---|--|---|
| Availability |  |  |  |
| Days of notice | 5-6 | 5-6 | 5-6 |
| Demand |  |  |  |

Some suppliers have EDD 10th.

Malta

| | VLSFO | HSFO | MGO |
|----------------|-------|------|-----|
| Availability | | | |
| Days of notice | 5-6 | 5-6 | 5-6 |
| Demand | | | |

One supplier still has no barge available.

Port Louis

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

The demand in this port remains strong due to Port Elizabeth no longer supplying bunkers. Most of this volume has moved to Port Louis.

Durban

| | VLSFO | HSFO | MGO |
|----------------|-------|------|-----|
| Availability | | | |
| Days of notice | 1 | 3 | 3 |
| Demand | | | |

Volumes are slowly declining as we see more vessels calling Cape Town due to the price difference. the premium in Cape Town for LSFO is +127.

Walvis Bay

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

Upside risk to oil prices from geopolitics and OPEC+ announcement

This week, we will look at the latest developments in geopolitics and the impact of the latest OPEC+ announcement that delayed the planned production increase on December 1.

We see an upside for Brent this election week based on the OPEC+ confirmation of the delay in the production increase, and as geopolitics is back on the agenda.

For more on the US election, see last week's issue, where we looked closer at the impact of the US election on the oil market and the US Dollar. We concluded that one should not overstate the short-term to medium-term impact on the oil market. The effects on the US dollar and interest rates might be more pronounced.

Two key drivers for oil and bunker market: OPEC+ and geopolitics

1. OPEC+ confirms that oil production increase will be delayed

Last Wednesday, Reuters reported, based on sources close to decision-makers, that OPEC+ plans to postpone the increase in oil production by 180,000 barrels on December 1 by a month or more.

These plans had already been delayed once, as the production increase was initially planned to start on October 1. The sources that Reuters quotes cite weak demand and rising supply.

Then, on Sunday, OPEC+ officially confirmed that the planned production increase had been postponed. OPEC has built a reputation for announcing changes one month ahead. Furthermore, the exact production quotas are essential for countries like Saudi Arabia that announce OSPs (Official Selling Prices) at the beginning of the previous month. The December OSP from Saudi Arabia has not been published on Monday's editorial deadline.

Hence, despite the recent spike in oil prices due to renewed geopolitical concerns, it did not allow OPEC+ to go through with the production increase.

When the Reuters story came out last week, Brent traded around USD 72.00 and rose to USD 72.50 in the aftermath. If OPEC+ had tried to test the market to see the market reaction, they would probably have been slightly disappointed by the modest market reaction. If the sources had said the production increase would go through, we would not have been surprised to see Brent testing the USD 70 level. On Monday, the day after the announcement, Brent rose another US dollar. However, given the geopolitical concerns over the weekend, it was a relatively modest market reaction.

Overall, we see little room for OPEC+ to increase production in December or next year. The confirmation that the production increase would be further delayed reinforced the view that OPEC+ continues to pursue a price rather than a volume strategy. We anticipate the Brent price moving towards USD 80 throughout 2025. Our view is based on the notion that OPEC+ will add

very little extra oil to the market in 2025 and that the global economy will develop better than feared, fuelled by lower interest rates.

2. Geopolitics back on the agenda as Iran might attack Israel from Iraq

Last week, geopolitics returned to the top of the oil agenda. The media outlet Axios reported, based on Israeli intelligence sources, that Iran is preparing a major retaliatory strike from Iraq on Israel. According to Axios, Israeli intelligence suggests the attack is expected to be carried out using a large number of drones and ballistic missiles.

The Iranian Revolutionary General Hossein Salami said Thursday that Israel made a mistake when it attacked Iran and stressed that Iran's response would be "different from any scenario" Israel might expect. According to FT, he warned that Iran's retaliation would be "unimaginable".

CNN also reported last week that, according to a high-ranking Iranian source, the recent attack on Israel would be met with a "definitive and painful" response.

Hence, it seems that the rhetoric from Iran has changed and been stepped up over the last week, making the Axios story more credible.

The market is expected to price a higher geopolitical risk premium in the coming weeks. Hence, we should expect a nervous market after the election.

If an attack occurs, it would represent a significant escalation, and Israel would likely retaliate.

Israeli military chief Lieutenant General Herzi Halevi warned, according to FT last week, that Israel would "strike very hard" if Tehran retaliated. "If Iran makes the mistake of launching another missile barrage at Israel, we will once again know how to reach Iran, with capabilities that we did not even use this time, and strike very, very hard," he said.

Notably, The Wall Street Journal published two interesting articles over the weekend. One referred to a speech by Iran's Supreme Leader stating that Iran would respond harshly to both Israel and the US. However, the other article was more intriguing, as it, based on sources, reported that Iran is carefully considering the consequences of retaliating, given that its air defence was heavily damaged during Israel's latest attack. Should Iran retaliate, a counterattack from Israel could severely impact Iran. This time, we would expect attacks on oil and nuclear installations.

There is also speculation that Israel may strike Iran even without an Iranian attack again after the election, especially if Trump wins.

We see Brent moving towards USD 80 In 2025

We have not changed our central forecast for Brent. We still expect it to trade in the mid-70s in Q4, edging towards USD 80 in 2025. Our forecast is based on an improving global economy supported by monetary easing globally and, notably, the expectation that the energy-intensive Chinese economy will receive a boost from the latest easing measures. We see China growing around 5% next year. See our forecasts for oil and bunker prices on the next page.

OPEC+ will no longer add more oil on December 1, and we believe the plan for more oil in 2025 will be delayed again in Q1 2025. We also assume that Saudi Arabia will be putting a lot of

pressure on quota busters like Iraq, Kazakhstan, and Russia to improve quota adherence and that quota compliance will improve.

Last week, we argued that the market has become too complacent about geopolitical risks. That seems to be about to change now.

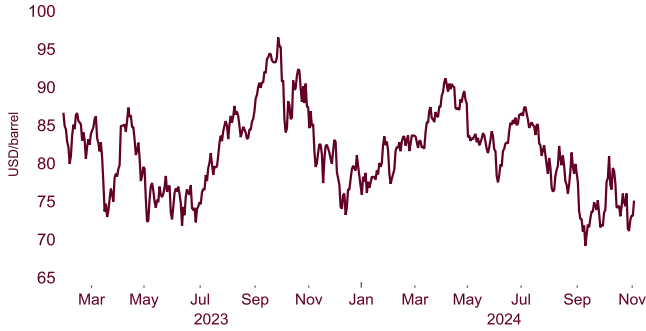
Forecast

| | Spot | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 | avg. 2025 |
|--|------|---------|---------|---------|---------|---------|-----------|
| Brent, USD/bbl | 75,0 | 76,0 | 77,0 | 80,0 | 81,0 | 80,0 | 79,5 |
| ICE Gasoil, USD/MT | 686 | 685 | 700 | 730 | 738 | 730 | 725 |
| HSFO (1M 3.5% Rotterdam Barge), USD/MT | 416 | 445 | 438 | 457 | 457 | 451 | 451 |
| VLSFO (1M 0.5% Rotterdam Barge), USD/MT | 503 | 514 | 514 | 527 | 533 | 527 | 525 |

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

Overview Charts:

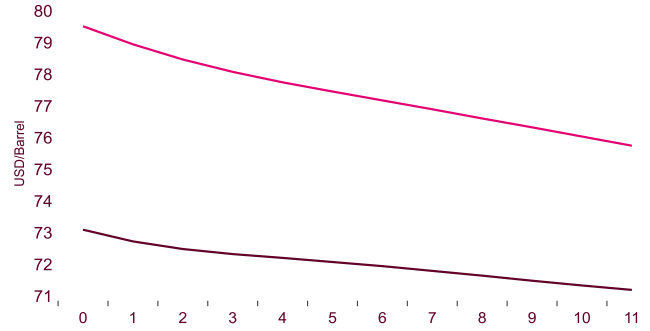
Brent oil



— Brent future, 1st position
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



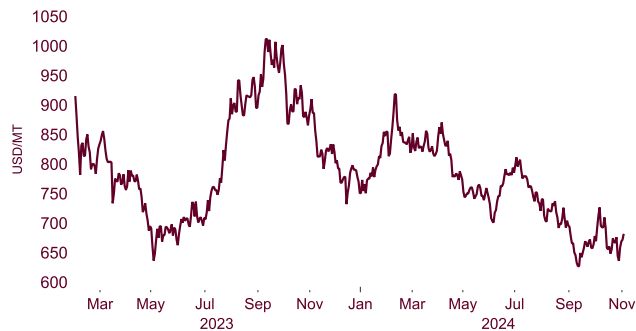
Brent forward curve, indicative prices



— Brent futures, -3m [y] — Brent futures, Latest [y]
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



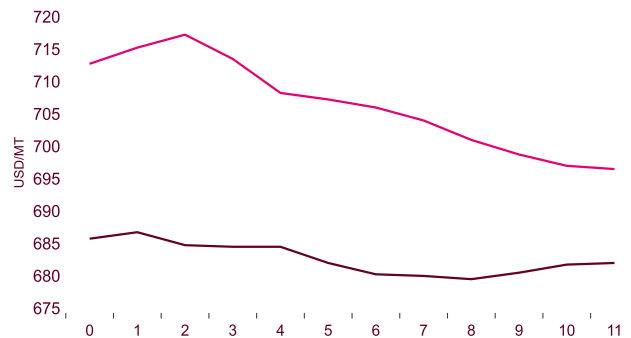
ICE Gasoil



— ICE Gasoil, 1st. position
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



ICE Gasoil forward curve, indicative prices



— ICE Gasoil, -3m [y] — ICE Gasoil, Latest [y]
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



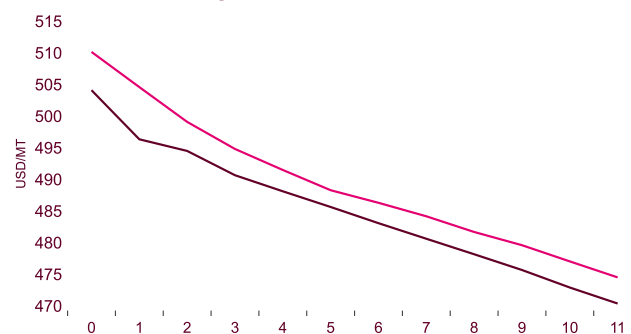
0.5% Marine Fuel Oil Rotterdam Barge, M1



— 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



— 0.5% Marine Fuel Oil Rotterdam, -3m [y] — 0.5% Marine Fuel Oil Rotterdam, Latest [y]
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

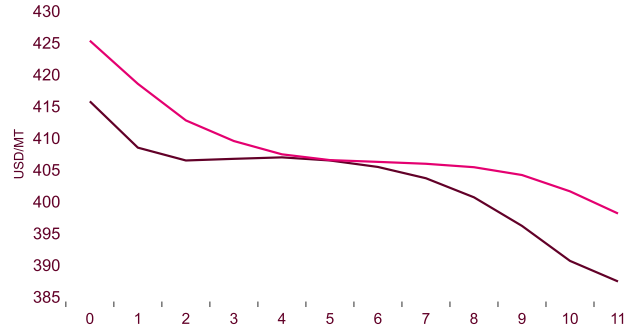


Rotterdam 3.5% Barge



— 3.5% Rotterdam Barge, 1M
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

Rotterdam 3.5% Barge forward curve, indicative prices



— 3.5% Rotterdam, -3m [y] — 3.5% Rotterdam, Latest [y]
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

