

Weekly Market Report

September 1, 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	10	8
Demand			

ARA

	VLSFO	HSFO	MGO
Availability			
Days of notice	5-7	5-7	3-4
Demand			

Fujairah

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

Demand has picked up slightly, mainly driven by increased tanker movements in and out of the Strait, but remains insufficient to materially change the supply dynamics. All grades remain well supplied, although premiums may edge slightly higher next week following the recent regional escalations.

Panama

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

Market moving up.

Durban

	VLSFO	HSFO	MGO
Availability			
Days of notice	3	3	3
Demand			

The MGO premium of +1000 is due to duties and taxes being added to the price.

Port Louis

	VLSFO	HSFO	MGO
Availability			
Days of notice	3	3	2
Demand			

Avails of MGO by pipeline is really tight. Barges are also committed and prompt supply not immediately possible.

Walvis Bay

	VLSFO	HSFO	MGO
Availability			
Days of notice	7	n/a	7
Demand			

Zhoushan

	VLSFO	HSFO	MGO
Availability			
Days of notice	9	8	3
Demand			

A typhoon just passed Zhoushan last weekend, a lot of vsIs are waiting for supply.

Another typhoon may hit Zhoushan 2 Sept. till 5 Sept. Supply will be tight.

In this special issue of Weekly Market Report, we discuss why crude oil is not higher despite being six months into the war/conflict with Iran. We also explain why we see diesel and other distillates like gas oil, MGO, and jet fuel, as well as natural gas, as the true chokepoints in the energy markets.

The biggest fear in energy markets turned out to be less devastating, but the stress is elsewhere

Six months have now passed since the war with Iran began on 28 February. At the outset, the biggest fear in energy markets was straightforward: a closure of the Strait of Hormuz could remove a large part of global oil supply and send crude prices dramatically higher.

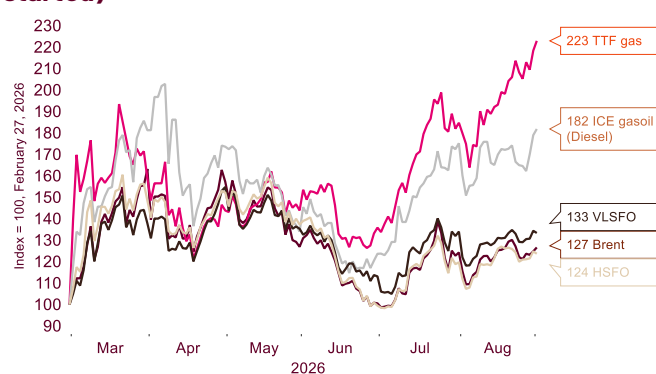
Brent did initially surge, peaking at around USD 126 per barrel. But six months into the war, it is trading back in the low USD 90s. That is still significantly above the prewar level of USD 60-70, but much lower than many feared when the conflict started.

At the same time, the underlying energy shock has not disappeared. It has simply moved. The main stress today is increasingly found further down the energy value chain, particularly in diesel and other distillates, and in the global LNG market.

Many events, but in reality, Brent is quite stable



February 27, 2026 = 100 (day the day before the war started)



Why is crude oil not any higher?

Considering the scale and duration of the disruption in the Middle East, it is remarkable that Brent is not trading well above USD 100 per barrel.

There are several explanations.

First, the global oil system has proved more flexible than expected. Not all oil normally passing through the Strait of Hormuz has disappeared from the world market. Gulf producers have increased the use of alternative export routes, including Saudi Arabia's route to the Red Sea, while cargo transfers and some continued traffic through Hormuz have also helped keep barrels moving. Notably, the latter has increased supply over the last couple of weeks.

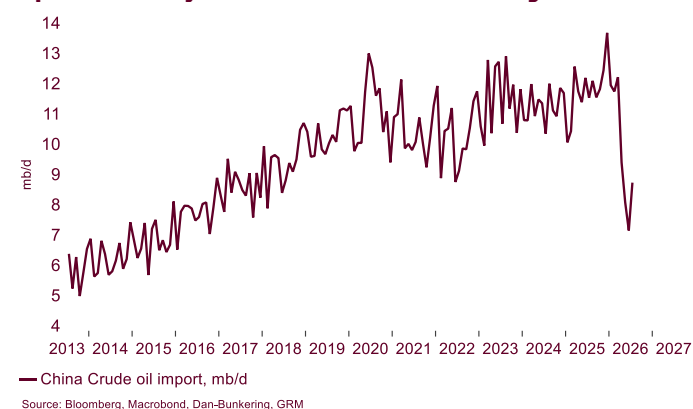
Second, emergency inventories bought the market time. In March, IEA member countries agreed to make a record 400 million barrels of emergency oil stocks available. This prevented the initial physical shortage from translating directly into an even larger crude oil price spike. The problem is that this buffer is not unlimited. Global observed oil inventories were already around 410 million barrels lower at the end of July than when the war started.

Third, demand has reacted strongly to higher prices. The IEA now expects global oil demand to fall by 1.6 mb/d in 2026. That is an extraordinary demand response and an important reason why the loss of Middle Eastern supply has not resulted in an even tighter crude oil market.

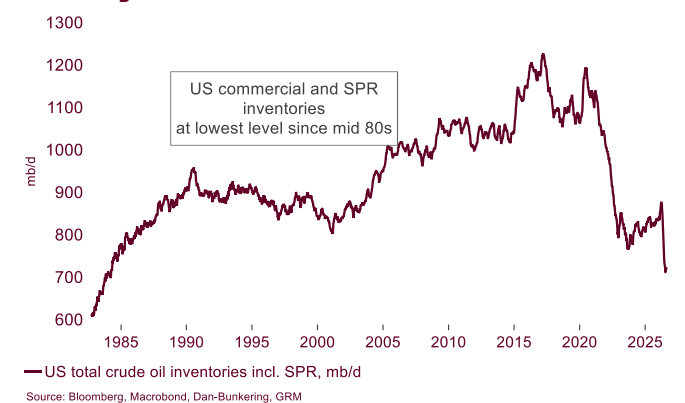
Fourth, China has been a major surprise. Chinese crude oil demand and refinery activity have remained weak. China has substantial spare refining capacity, but lower crude imports and weak domestic oil demand have kept refinery runs subdued. This has reduced competition for available crude barrels at exactly the time when the market needed it.

Finally, the market continues to price in the possibility of a reopening of Hormuz. Oil prices have repeatedly fallen sharply on even modest signs of diplomatic progress. The latest talks between Iran and Oman are another example. This means anyone buying oil purely on a prolonged-closure thesis also faces considerable downside risk if an agreement suddenly emerges.

Global inventories have been drawn upon. Here represented by US commercial and strategic inventories



China has scaled back crude oil imports significantly, removing stress from the crude oil market



Two chokepoints: Diesel/gas oil and natural gas/LNG

Diesel/gas oil and natural gas/LNG are the real chokepoints. Crude oil prices do not tell the full story of this energy crisis. In our view, diesel and natural gas have become the two most important chokepoints in the global energy market.

1: Diesel/gas oil: the refining system is the constraint

The world does not consume crude oil directly. It consumes diesel, gasoline, jet fuel, marine gasoil and other refined products. That distinction has become increasingly important.

Global refinery runs in July were almost 5 mb/d below the level a year earlier. At the same time, diesel exports from Russia, the Middle East and Asia were around 1.3 mb/d lower than last year, equivalent to roughly 20% of global seaborne diesel trade. Jet fuel exports from the same regions were down by around one third.

Several problems are occurring simultaneously:

- Middle Eastern product exports have been severely disrupted by the closure of Hormuz.
- Ukrainian attacks on Russian refineries have reduced Russian refinery output, while Russia has restricted product exports. Russia may turn into a diesel importer.
- Global diesel inventories entered the crisis at relatively low levels.
- China has spare refining capacity, but weak crude oil imports are keeping refinery runs low.
- Refinery capacity elsewhere cannot quickly compensate for the lost production.

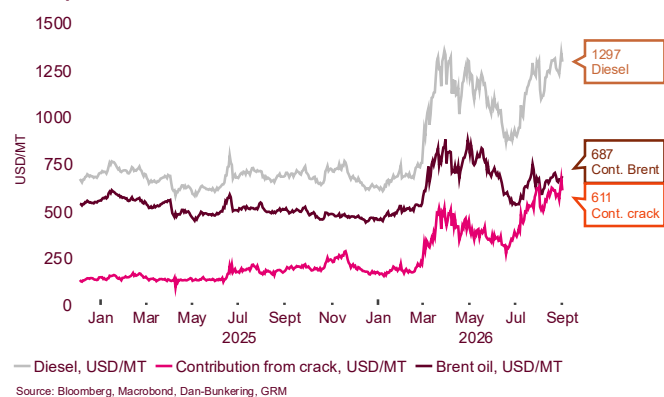
The result is visible in refining margins. Diesel and gas oil cracks have risen dramatically because the shortage is increasingly not crude oil but the capacity and logistics required to turn crude into the products consumers actually need.

This also explains why the tight diesel market is spilling into the bunker market. VLSFO requires valuable blending components that compete with refinery streams used to produce distillates. When those components become more expensive, the VLSFO crack and ultimately the HI5 spread can rise as well. HI5 is also supported, as HSFO is more closely linked to “cheap” crude oil.

ICE gas oil cracks are very elevated



The wider crack has been much more important in driving diesel/gas oil/MGO prices higher than Brent in 2026, USD/MT



2: Natural gas/LNG: Qatar cannot reroute LNG

Natural gas/LNG is potentially an even more extreme chokepoint. Before the war, Qatar supplied around one-fifth of global LNG. Unlike Saudi Arabian crude oil, which can partly be rerouted through pipelines to the Red Sea, Qatari LNG has virtually no alternative route to the Strait of Hormuz.

The numbers are striking. Qatar has exported only a very small number of LNG cargoes during the first six months of the war compared with the same period last year. Higher US LNG exports have absorbed part of the shock, but they cannot fully replace Qatar. More crude is now coming out of the Middle East; that doesn't seem to be the case for LNG.

The timing is particularly uncomfortable for Europe. EU gas storage is around 65% full compared with roughly 75% at the same time last year. Germany is only just above 50% compared with around 76% last year.

Europe therefore enters the final part of the injection season with relatively low inventories and a much tighter global LNG market.

That makes the coming winter crucial. Oil has inventories, alternative producers and alternative routes. European natural gas increasingly depends on LNG cargoes arriving at exactly the time when the rest of the world also wants them.

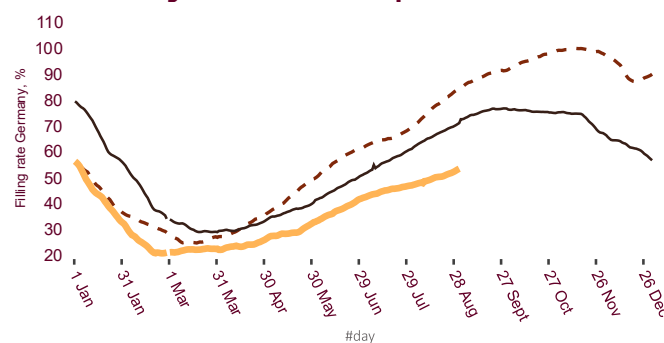
For clients using LNG, we saw over the summer that LNG prices in Asia were higher; it has now reversed, and LNG is now marginally higher in Europe, reflecting the European need to attract LNG.

TTF gas prices at year-high



— TTF H2 2026 — TTF cal-28 — TTF cal-27 — 1M TTF forward
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

Low German gas inventories a special concern



— 2026 — 2025 - - 2022
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

Bunker market: Renewed support to VLSFO market and an elevated Hi5/scrubber-spread

Bunker prices remain elevated, although the extreme availability concerns seen earlier in the war have eased.

VLSFO remains particularly expensive relative to both Brent and HSF0. The VLSFO crack has increased significantly since the beginning of the war, particularly in Singapore. VLSFO is a blended product and therefore competes for many of the same feedstocks and blending

components as the exceptionally tight distillate market. High gasoil and diesel cracks are therefore also supporting VLSFO.

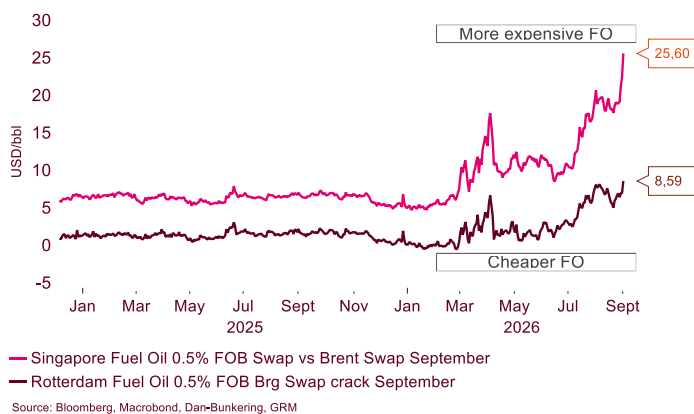
The strength has been particularly pronounced in Asia. Reduced supplies of low sulphur fuel oil from the Middle East, combined with disrupted trade flows through the Strait of Hormuz, have tightened the Singapore market. Singapore fuel oils consequently continue to trade at a premium to ARA.

HSFO has performed considerably better from a supply perspective. High refinery runs generate more residual fuel oil, while HSFO depends far less on expensive distillate blending components. This divergence between VLSFO and HSFO pushed the Singapore HI5, or scrubber spread, higher during July and early August. The spread has narrowed over the past couple of weeks, but remains wide.

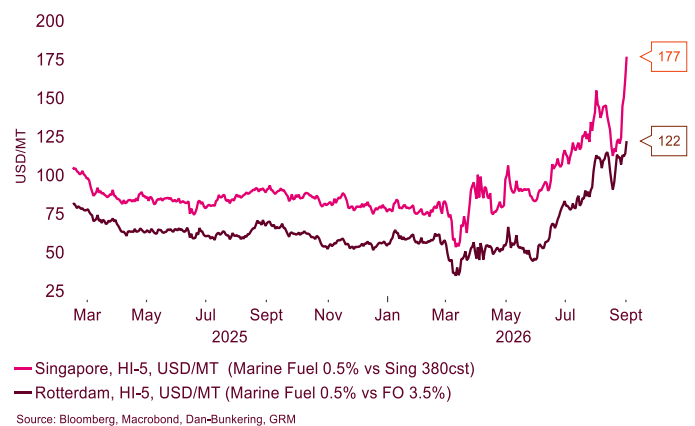
MGO remains the most expensive conventional marine fuel, as the underlying distillate market remains extremely tight. Reduced Middle Eastern exports, disruption to Russian refinery production, and low inventories continue to support diesel, gasoil and MGO cracks.

Hence, the bunker market remains more exposed to current energy chokepoints through VLSFO, particularly MGO, than through HSFO. As long as the Strait of Hormuz remains severely restricted and the global distillate market stays tight, we expect HI5 spreads to remain well above pre-war levels. See the charts and our oil and bunker forecasts below and on the next two pages.

VLSFO cracks remain elevated, September month, USD/MT



HI5 is notably higher in Singapore, September month, USD/MT



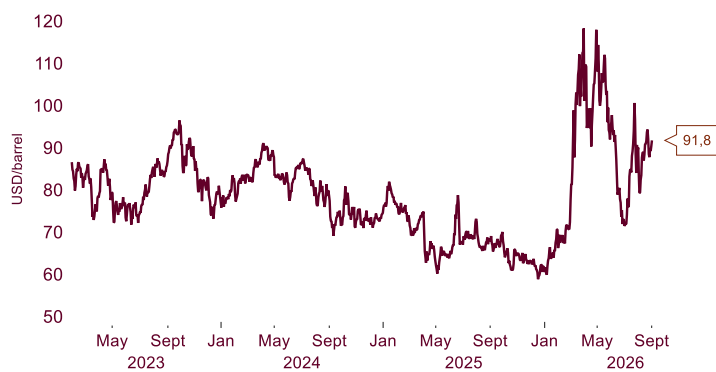
Below is our forecast for oil, bunker fuel, and EUAs, updated today

	Spot	Q3 2026	Q4 2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	avg. 2026	avg. 2027
Brent, USD/bbl	91,3	90	84	73	73	73	73	87	73
ICE Gasoil, USD/MT	1339	1226	1185	1028	879	879	842	1098	954
HSFO (1M 3.5% Rotterdam Barge), USD/MT	501	518	483	406	406	419	419	509	413
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	615	614	572	495	489	489	489	580	491
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:

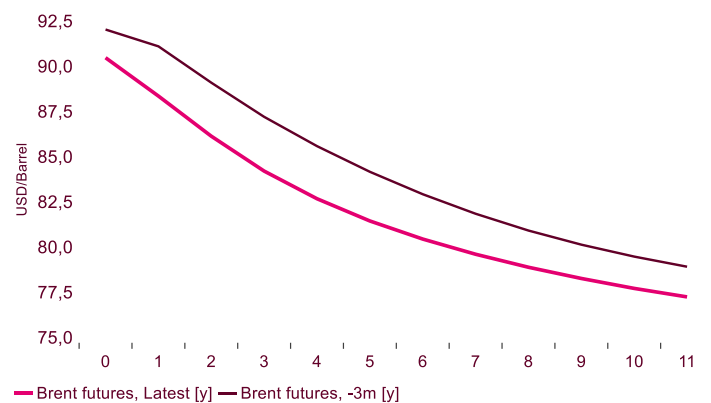
Brent oil



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



Brent forward curve, indicative prices



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



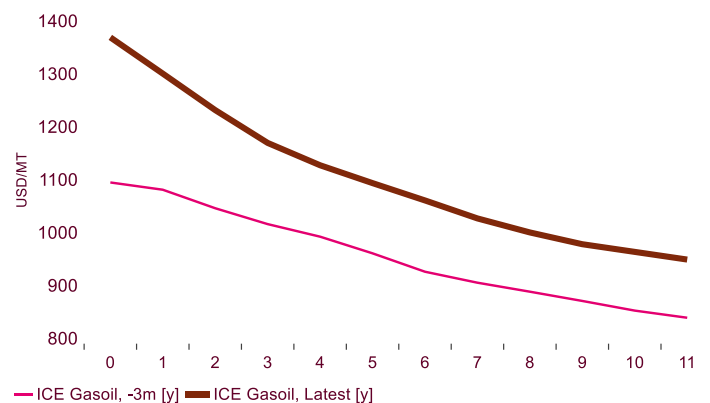
ICE Gasoil, 1. Pos.



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



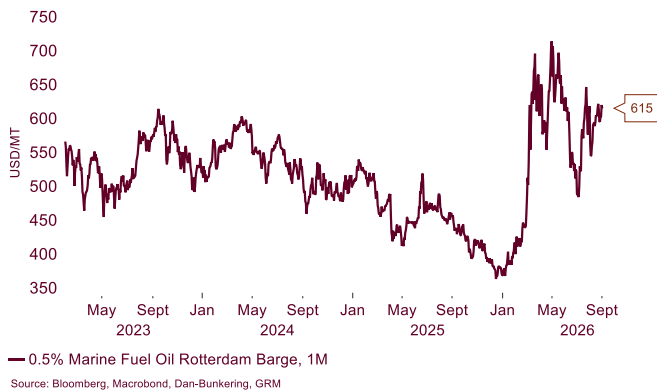
ICE Gasoil forward curve, indicative prices



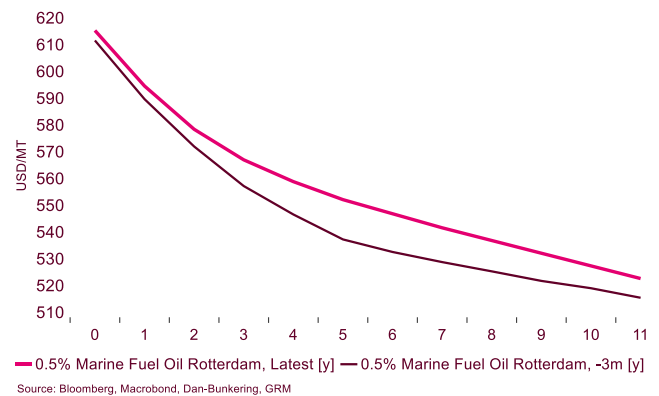
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



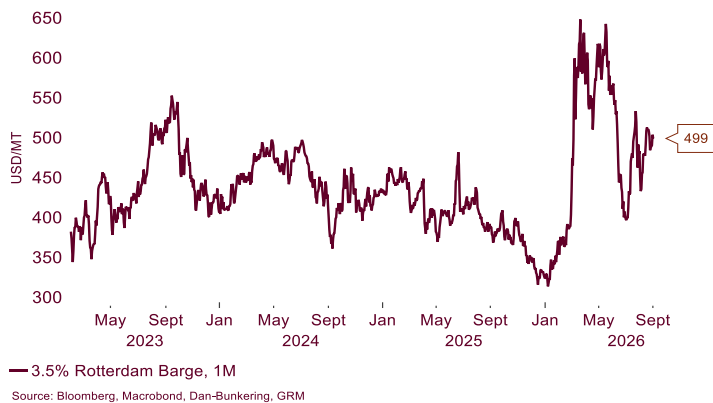
0.5% Marine Fuel Oil Rotterdam Barge, M1



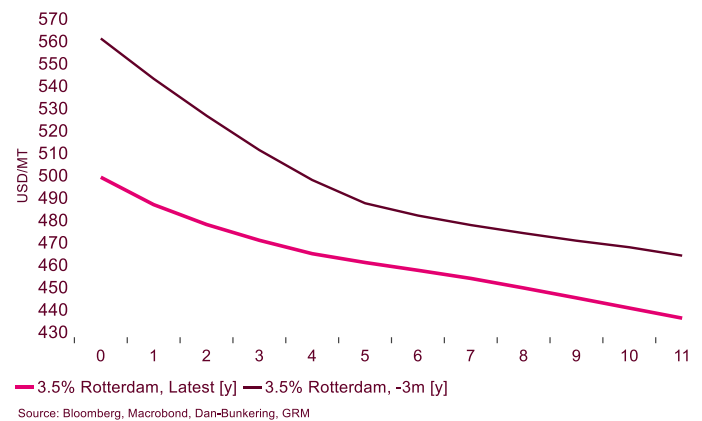
0.5% Marine Fuel Oil Rotterdam Barge Forward Curve, indicative prices



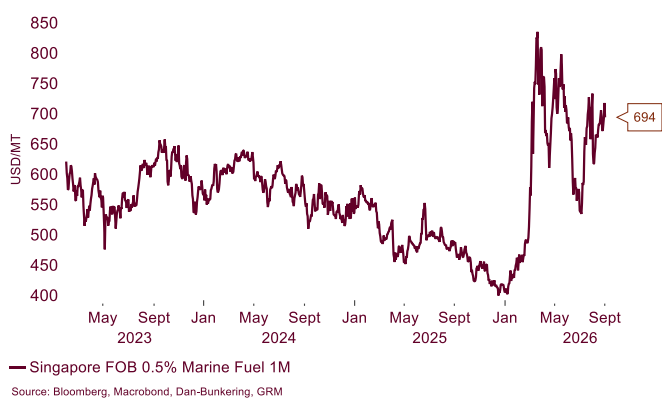
Rotterdam 3.5% Barge



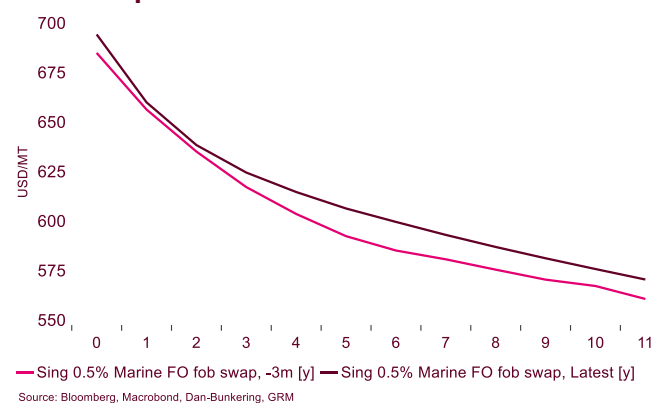
Rotterdam 3.5% Barge forward curve, indicative prices



Singapore FOB 0.5% Marine Fuel Oil swap 1M



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



3.5% Singapore 380 CST FO swap, M1



3.5% Singapore 380 CST FO Forward Curve, indicative prices

