Dan-Bunkering

Ride the Next Wave

Weekly Market Report

January 21, 2025

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

Bunker Port Brief

Singapore

	VLSFO	HSFO	MGO
Availability			
Days of notice	13	11	3
Demand			

The Asian LSFO market is expected to strengthen, supported by increased bunker demand ahead of the Lunar New Year lull and tighter arbitrage supplies from Western markets.

The Asian HSFO market remains supported by limited prompt availability and anticipated supply tightness following recent US sanctions on Russia's energy sector.

The Asian gasoil market is expected to strengthen driven by a market structure bolstered by stricter sanctions on Russian and Iranian shadow tankers.

ARA

	VLSFO	HSFO	MGO
Availability			
Days of notice	4-5	4-5	prompt
Demand			

Prompt avails on IFO looking tighter, and price premiums starting to reflect the same.

Fujairah

	VLSFO	HSFO	MGO
Availability			
Days of notice	5	4	3
Demand			

Fujairah market continues to see aggressive selling with new recent lows seen for VLSFO pricing at SIN MOPS 0.5 low single digits. The market remains oversupplied versus demand. HSFO continues to grow with strong demand and increased supplier capacity to meet this. We expect the strong demand to continue with the run-up to the Lunar New Year.

New York

	VLSFO	HSFO	MGO
Availability	■■■■□	■■■□□	■■■□□
Days of notice	3	7	1
Demand	■■■□□	■■■■■	■■■□□

Frigid temps in NYH causing some Ops issues with regard to HSFO discharging from shore tanks and barge. HSFO demand is still heavily related to the strike that was averted.

Houston

	VLSFO	HSFO	MGO
Availability	■■■□□	■■■□□	■■■■□
Days of notice	7-10	7-10	7-10
Demand	■■■■□	■■■■□	■■■■□

US Gulf is currently being hit with winter storm Enzo. As of Monday afternoon, the port of Houston and surrounding ports are closed to vessel and barge traffic. Hazardous winter conditions are expected to persist through Wednesday evening January 22nd. After the port reopens, suppliers will likely be working through a backlog of deliveries. Heavy operational delays, up to and including the potential for missed deliveries, should be expected through the weekend into early next week.

In general, heavy congestion at loading terminals persists. Some barges are waiting several days to load after tendering NOR. We expect this to continue over the next month as is common for this time of year. Buyers should anticipate potential operational delays with bunker operations in Houston.

Gibraltar

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

The backlog from last week seems to both entail Gibraltar and Algeciras now. With inner Anchorage at Algeciras being very congested and 1 supplier having an 18-24 hours delay, for Gib another supplier reports a 12-24 hours delay.

Malta

	VLSFO	HSFO	MGO
Availability	■■■■■	■■□□□	■■■■■
Days of notice	2-4	5-6	2-4
Demand	■■■□□	■■□□□	■■■□□

On Friday Bunkering was suspended due to strong winds - however no reports of any backlog due to this.

Port Louis

	VLSFO	HSFO	MGO
Availability	■■■■■	■■■□□	■■■■■
Days of notice	3	3	2
Demand	■■■■■	■■■□□	■■■■■

Durban

	VLSFO	HSFO	MGO
Availability	■■■■■	■■■□□	■□□□□
Days of notice	3	3	3
Demand	■■■□□	■■■□□	■□□□□

We are seeing volume decline in Durban due to high prices.

Walvis Bay

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

Many uncertainties after the Trump Inauguration

This week, all attention has been paid to Trump's inauguration. We closely monitor all comments and presidential decrees on regulatory rollbacks, sanctions and tariffs.

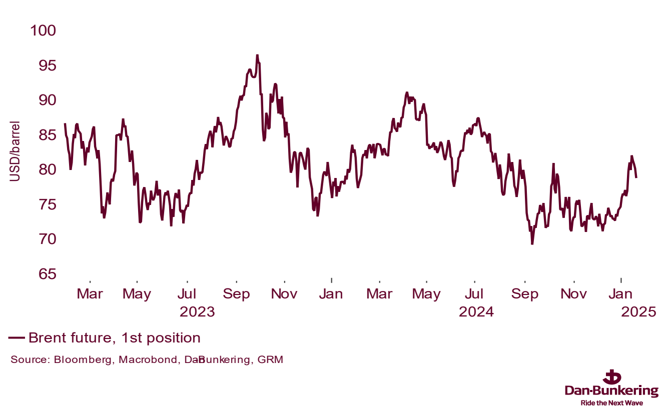
We will discuss these three themes in this issue. However, the bottom line is that we have seen nothing this week that has rocked the oil market. Hence, we still see a risk on the upside for oil prices in Q2 and Q3.

Today, the flat price is slightly lower. It could be a kind of "Buy the rumour, sell the fact" reaction.

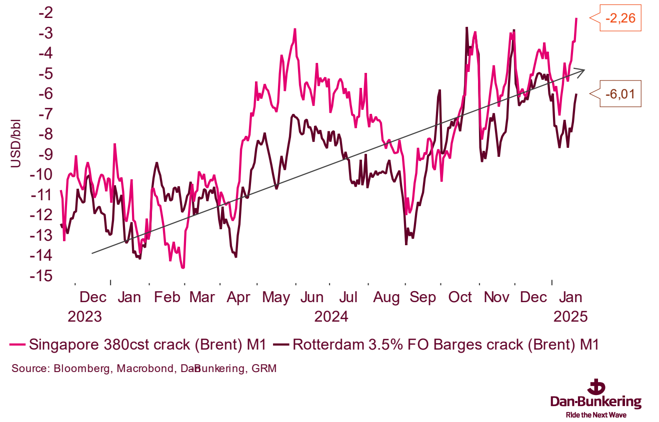
However, the HSFO cracks in ARA and Singapore have continued to tighten compared to Brent, resulting in more expensive HSFO. The market appears to recognize that the combination of tariffs and sanctions can severely impact the availability of sour, heavy crude oil and, consequently, the supply of residues and heavy fuel oil.

Notably, the sanctions on Russia could limit availability in Singapore as there is more sanctioned oil being impacted in Asia than in Rotterdam. We have also seen a more pronounced move in HSFO crack in Singapore.

Brent price fell after the Inauguration



More expensive HSFO crack (vs Brent)



1. **Regulatory rollback: Trump declares a national energy emergency**

Regarding the energy market, Trump's inauguration speech focused on declaring a national energy emergency.

This is intended to facilitate the administration's overturning of several of Biden's environmental decrees and introducing new regulations to boost US oil and gas production.

However, whether this will significantly increase U.S. oil production within the next six to nine months is doubtful. This is more likely a story for 2026-2028.

However, the national energy emergency underlines the new administration's desire to boost the oil and gas markets.

2. Sanctions: Little news on Iran and Russia from Trump

The new sanctions on Russia have been the main topic for the last couple of weeks. The sanctions specifically affected two major oil companies, Gazprom Neft and Surgutneftegaz.

In addition, 183 ships in the shadow fleet and two insurance companies were sanctioned. S&P Commodities at Sea said the sanctioned vessels were responsible for transporting 1.6 million barrels of crude oil per day and 200,000 barrels of products (mainly diesel and gasoil). Overall, one million or more barrels of Russian oil exports could be impacted, although Russia has demonstrated a notable ability to exploit loopholes.

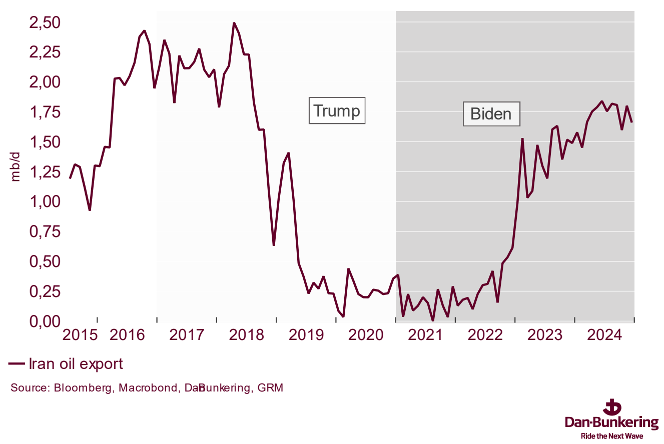
There are already indications that the sanctions are having an effect. Bloomberg reported last week that India will not allow Russian ships under sanction to offload their cargo if they were chartered after January 10. Tanker rates of non-sanctioned vessels adhering to the price cap have also increased after introducing new sanctions. Russian demand has risen as the shadow fleet has been sanctioned, and buyers like India and Russia have been seeking oil from the US and the Middle East transported by non-sanctioned vessels.

However, there was limited news regarding sanctions from Trump. We assume that sanctions against Russia will remain unchanged. Trump stated overnight that Putin is ruining Russia by refusing to agree to a deal. It is still uncertain whether Trump will scale back the sanctions. However, recent reports indicate that the new administration plans to uphold the sanctions to increase pressure on Russia in upcoming peace negotiations.

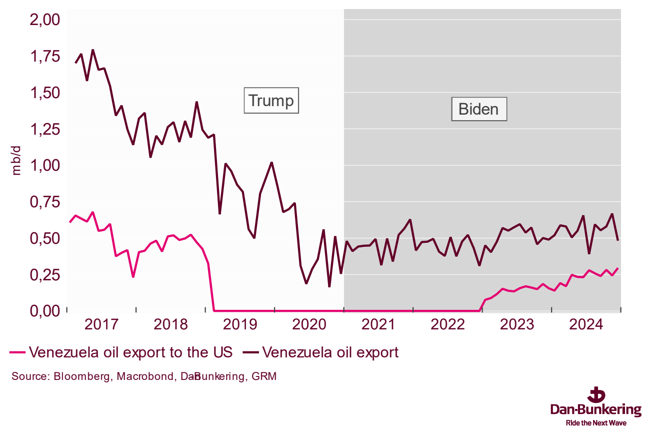
With respect to the so-called maximum-pressure strategy on Iran, we have heard little from Trump. We still believe sanctions on Iran will be tightened.

Notably, Trump mentioned overnight that he is considering whether the U.S. should continue buying oil from Venezuela. The U.S. is Venezuela's largest customer after China. It remains unclear whether Trump intends to tighten sanctions to make it more difficult for Venezuela to sell oil to other countries.

Iranian oil export in focus



Trump put focus on oil exports from Venezuela



3. Tariffs: Canada and Mexico in focus

Regarding tariffs, there was nothing specific in the inauguration speech.

However, overnight, Trump announced that as early as 1 February, a 25% tariff would be imposed on Canada and Mexico. It is unclear whether this will include energy. If not, it seems likely that potential retaliatory measures from these countries could consist of export taxes on energy.

Many US refineries rely heavily on heavy/sour Canadian oil, and tariffs could increase the cost of refined products. If US refineries try to source heavy/sour crude in the world market, the tightness in the HSFO could intensify. Note that the broad part of Canadian oil production is landlocked.

Regarding Mexico, potential tariffs could result in products, including fuel oil, being redirected to Asian and European markets, adding downward pressure on prices. However, this will still impact the well-functioning of the market, adding to the risk premium.

Note that general tariffs will be negative for global growth and, therefore, negative for oil demand and oil prices.

Price outlook: Risk to prices to the upside in Q2 and Q3

We previously expected Brent oil to trade within a tight USD 68–82 range in 2025. It is still easy to argue for a bear market for oil in 2025. Chinese growth remains subdued despite official GDP data indicating a 5% growth rate in 2024. Non-OPEC supply is increasing, and tariffs may hinder global trade.

However, given recent developments - particularly Trump's apparent support for sanctions on Russia, Iran and Venezuela - there remains a risk that the market could be surprised on the upside, especially in Q2 and Q3.

As a result, we have revised the expected trading range for 2025 to USD 72–92. The wider range reflects increased uncertainty, and the upside risks associated with sanctions. We have also raised our 2025 forecast from USD 75 to USD 83. Additionally, we have increased our expectations for distillate and HSFO cracks. Our oil forecasts are now well above the Brent oil and product forward curves.

The market will likely be sensitive to corrections when trading in the mid-to-high 80s. Brent at those levels could trigger a supply response from OPEC+, potentially prompting the cartel to follow through with its plans to add more oil to the market.

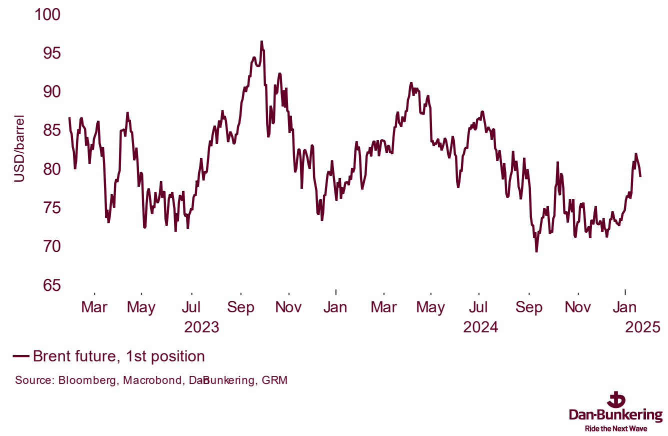
Forecast

	Spot	Q1 2025	Q2 2025	Q3 2025	Q4 2025	avg. 2025
Brent, USD/bbl	78,9	81	85	84	81	83
ICE Gasoil, USD/MT	732	760	805	810	760	783
HSFO (1M 3.5% Rotterdam Barge), USD/MT	458	476	508	493	464	485
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	524	540	559	550	533	546

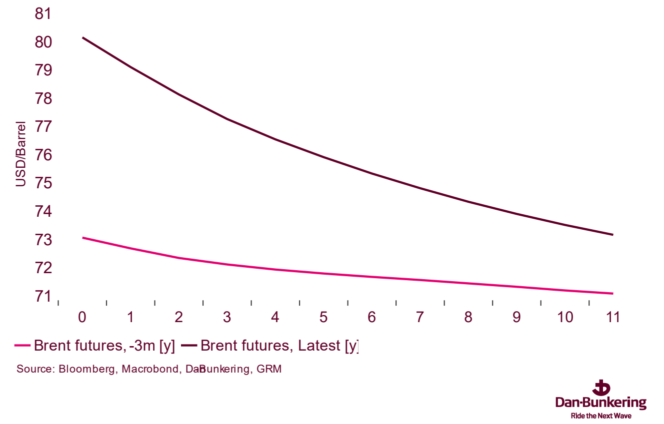
Source: Dan-Bunkering, indicative spot-prices based on Bloomberg 1M fair-value

Overview Charts:

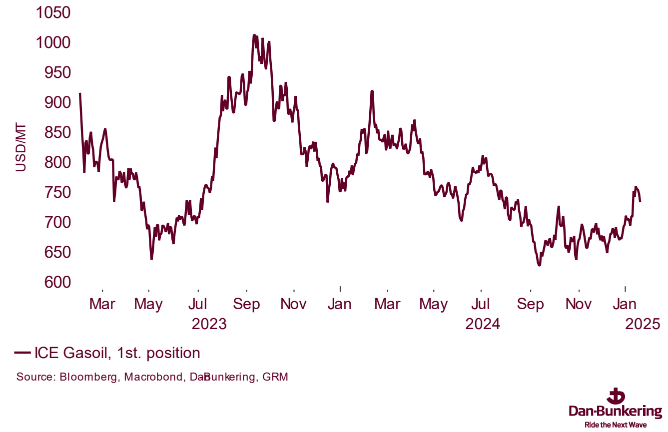
Brent oil



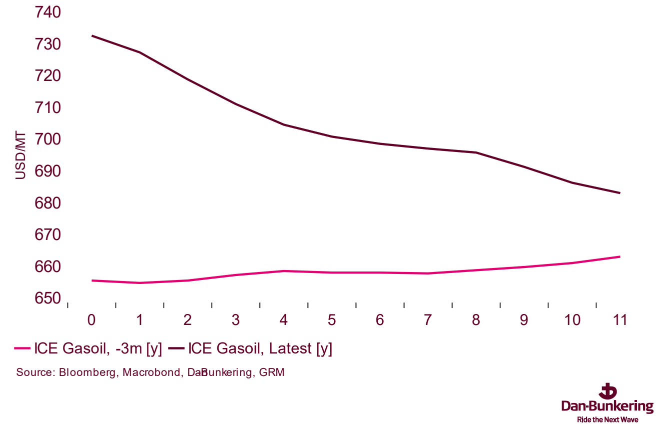
Brent forward curve, indicative prices



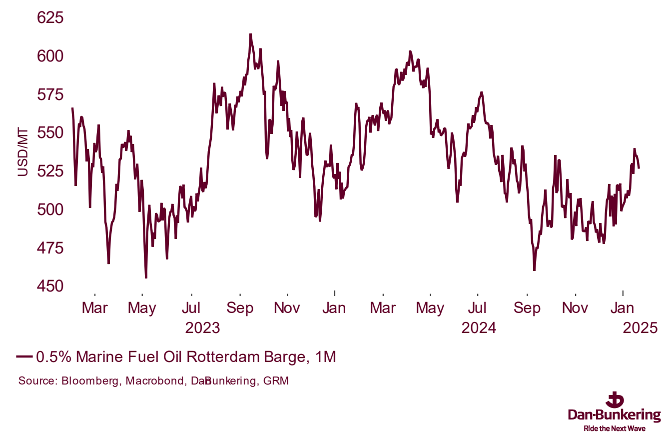
ICE Gasoil



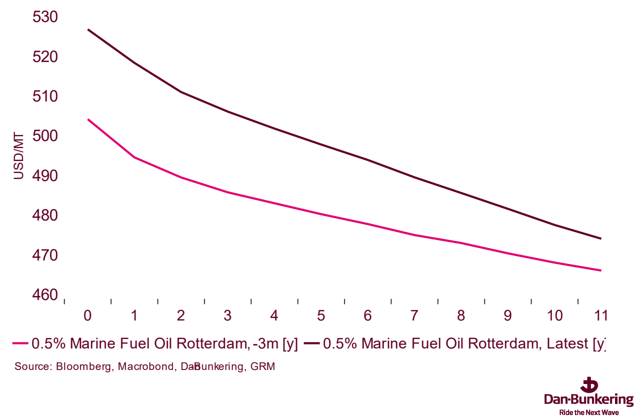
ICE Gasoil forward curve, indicative prices



0.5% Marine Fuel Oil Rotterdam Barge, M1



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

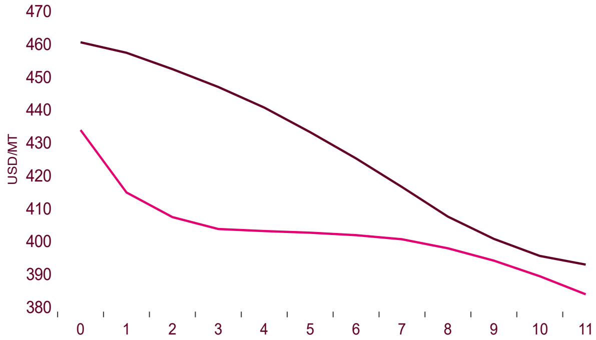


Rotterdam 3.5% Barge

— 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