Dan-Bunkering
Ride the Next Wave

Weekly Market Report

May 27, 2025

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

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Ride the Next Wave

Bunker Port Brief

Singapore

	VLSFO	HSFO	MGO
Availability	●●●●○	●●●○○	●●●●○
Days of notice	10	9	7
Demand	●●●○○	●●●○○	●●●○○

The Asian LSFO market may stay firm this week due to tight supply and steady demand. However, arrivals from the West expected may start to put downward pressure.

The Asian HSFO market may face pressure from rising imports. Summer power demand in the Middle East and South Asia can provide near-term support.

The Asian gasoil prices are expected to dip this week driven by abundant cargoes of ultra-low sulphur cargoes as refiners resume operations after spring maintenance.

ARA

	VLSFO	HSFO	MGO
Availability	●●○○○	●●○○○	●●○○○
Days of notice	5	7	6
Demand	●●○○○	●●○○○	●●○○○

HSFO expected to become tight, especially higher viscosity blends like RMK700 and 500cst. VLSFO is pretty balanced. Gasoil remains tight, expected to improve a bit in the upcoming weeks when the BP refinery is up and running.

Fujairah

	VLSFO	HSFO	MGO
Availability	●●●●●	●●●●○	●●●●○
Days of notice	3	5	3
Demand	●●●●●	●●●●●	●●●○○

Demand was steady last week as expected. We expect flat price players in the market to continue being aggressive on the pricing front this week as they have been in the last few weeks. Also, the introduction of a new supplier in the FUJ market should show a drop in prices from other suppliers being forced to compete on spot business.

New York

	VLSFO	HSFO	MGO
Availability			
Days of notice	3	7	1
Demand			

Seeing slightly more spot activity in NYH and Philly, only seeing increased ditsy demand. Status quo from liners on HSFO and VLSFO.

Gibraltar

	VLSFO	HSFO	MGO
Availability			
Days of notice	7	10	7
Demand			

Low availability all over with high premiums.

Malta

	VLSFO	HSFO	MGO
Availability			
Days of notice	8+	10+	8+
Demand			

Market is currently seeing an increasing level of inquiries for mgo, ulsfo and vlsfo. Availability for first week of June is already looking tight, with only a few limited slots left. We urge all to send inquiries as soon as they know about their requirements to be able to offer.

Port Louis

	VLSFO	HSFO	MGO
Availability			
Days of notice	7-10	7-10	3-5
Demand			

Tight avails in the island bunkers only port, with many suppliers running low on avails ahead of the next replenishment 1st / 2nd week of June. Higher premiums noted because of this; ex-pipe gasoil is competitive.

Durban

	VLSFO	HSFO	MGO
Availability			

Days of notice	4-6	4-6	3-5
Demand			

A noticed tightening of VLSFO and HSFO avails, with one supplier pricing higher accordingly whilst they await replenishment. Gasoil remains as duty paid only, this will remain for the foreseeable.

Walvis Bay

	VLSFO	HSFO	MGO
Availability			
Days of notice	4-6	4-6	4-6
Demand			

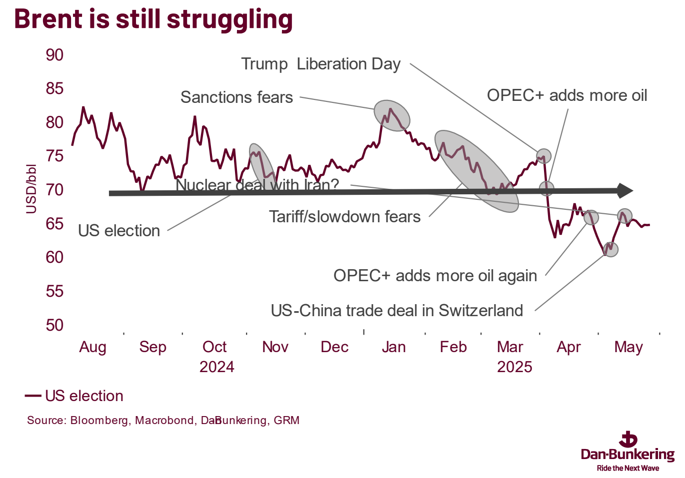
Tepid demand remains in the region, no interesting, updated news to report from the previous week.

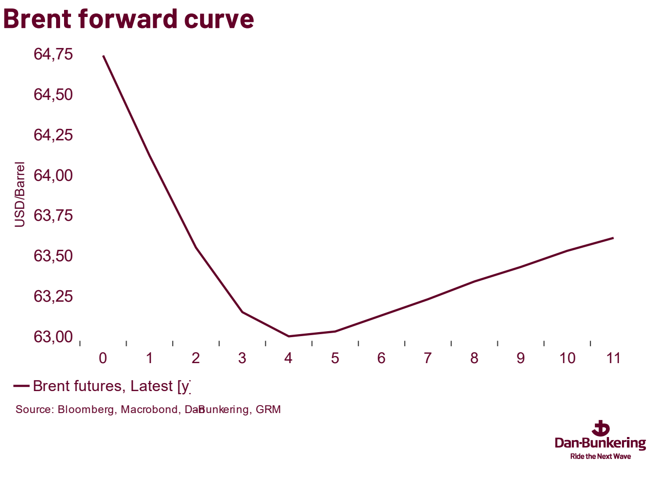
Oil price outlook for the rest of 2025

Brent crude oil prices fell from close USD 75 to below USD 60 following Trump's so-called Liberation Day and the subsequent OPEC+ announcement. When Trump gave in and cancelled the high tariffs, the oil price recovered and has remained relatively stable since, fluctuating within the $62 to $67 range, without any clear upward or downward trend.

However, intra-day volatility has been exceptionally high due to the abundance of news affecting the market throughout the day.

In this note, we will examine some key themes contributing to this volatility and share our perspective on oil prices for the remainder of the year.





Oil market outlook for the rest of 2025: Brent oil to trade in the mid to high 60s

We expect the oil market to remain intraday volatile in the coming quarters (see more below).

Nevertheless, we anticipate that crude oil will trade within a relatively narrow range, between USD 60 and USD 72, without a clear trend, but with a risk tilt to the upside relative to the current Brent price of around USD 64.

We believe Brent will see strong support at USD 60. US shale oil production will come under pressure at this level, as drilling new wells will no longer be profitable. We also expect OPEC+ to halt or postpone plans to increase oil production if Brent trades at this price for an extended period.

Sanctions will play a significant role in the oil market for the remainder of 2025. The focus is whether the United States will implement the so-called “maximum pressure” strategy against Iran. New sanctions have already been imposed on Iran, but more may be forthcoming.

The US sanctions on Russia are also uncertain, as the US administration appears to have aligned itself more closely with Russia, though Trump may have changed his mind over the weekend. Nevertheless, Russian oil production is currently capped by its membership of OPEC+.

The sanctions already in place are expected to contribute to slightly higher oil prices for the remainder of 2025.

On the demand side, the US tariffs pose a risk to both US and global growth, notably China's, adding downside risk to oil prices. As of today, markets are likely priced for weak global growth.

There is also growing concern about the impact of the high US debt ratio. Long-term US Treasury yields have recently risen. If equity markets decline, oil prices will likely follow suit. See more below.

On the supply side, higher non-OPEC+ production in North America, Guyana, and Brazil poses a downside risk, as does the OPEC+ decision to rapidly add oil to the market.

The weaker US dollar also remains an upside risk to oil prices.

The strong price performance for HSFO relative to Brent is expected to have run its course. VLSFO, on the other hand, may rise slightly more than Brent. See also the oil and bunker forecasts below.

Four key intra-day price drivers for oil

1. Economic outlook- remains uncertain as tariff announcements spook the market

Economic growth is the primary factor influencing oil demand and prices over time. The recent US tariffs have increased the likelihood of a recession, as rising inflation diminishes purchasing power and creates uncertainty that affects consumer and business confidence. While the risk may have decreased following the recent agreement with China, the situation remains fluid and can change rapidly. We believe the US economy will avoid a recession, but a slowdown is almost inevitable.

The numerous tariff announcements and the 90-day delay have led to a stop-and-go economy. Importers initially tried to stockpile goods before the tariffs took effect in April. Many importers again attempt to hoard goods ahead of the 90-day tariff pause with China, ending in August and many other countries on July 9, including the EU.

Uncertainty received a fresh boost on Friday when Trump, out of the blue, posted on social media that he recommends a 50% tariff on the EU starting June 1. Initially, oil prices fell as global risk appetite came under pressure. However, prices recovered later in the session, and the posting is almost forgotten today as Trump retracted the threat after 48 hours.

The market now views his comments as pure tactics and counted on Trump to fold quickly, which he did, much like he did with China, since effectively shutting down trade between the EU and the US would be disastrous for the US economy.

However, the tariff unpredictability adds to intra-day uncertainty in global oil markets.

2. Sanctions on Russia and Iran

News about sanctions and geopolitics are other key themes setting the day-to-day agenda in the oil market.

Friday, the fifth round of nuclear negotiations between the United States and Iran concluded in Rome with "some but not conclusive progress," according to Omani mediator Badr al-Busaidi.

However, the talks remain in reality deadlocked over uranium enrichment: Washington demands a complete halt to Iran's domestic enrichment, while Tehran insists on its sovereign right to continue to enrich uranium for peaceful purposes.

Despite the lack of a breakthrough, both sides have agreed to reconvene. The next round of talks is scheduled for Muscat, Oman, but no date has been set.

The negotiations occur amid heightened regional tensions, including Israeli threats to strike Iranian nuclear sites.

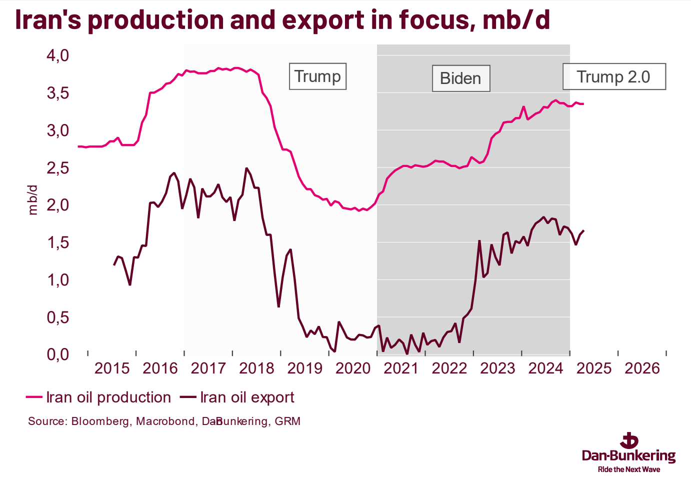
Despite the ongoing negotiations, we still doubt we will see a nuclear agreement between Iran and the US. Hence, we still expect the US to tighten sanctions under its "maximum pressure" campaign to reduce Iranian oil exports to zero.

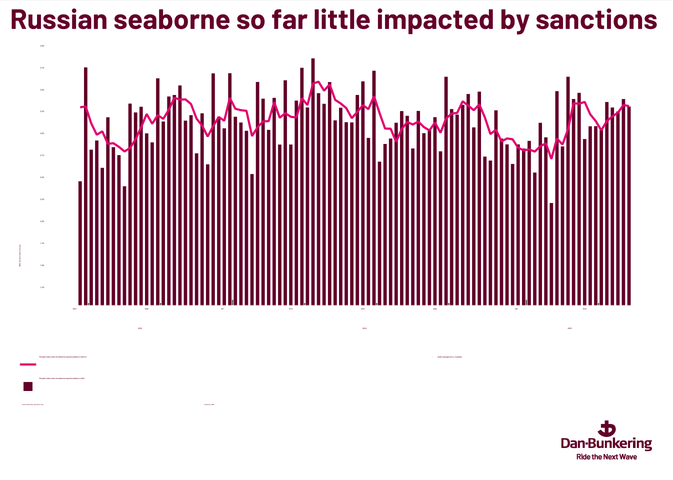
However, if a deal is reached, the impact on oil supply could be significant, not necessarily because Iran might add 200,000 to 400,000 barrels per day to the market, but because up to 1 million barrels of existing Iranian exports would no longer be at risk of being removed. However, the market narrative shifts almost daily and creates intra-day volatility.

All in all, we still see a higher probability of a no-deal scenario than a deal. Therefore, we continue to view sanctions on Iran as a supportive factor for oil in H2 2025.

Attention is also on Russia. Although Putin proposed peace talks, he did not attend the negotiations between Ukraine and Russia in Turkey. Following Russian rhetoric last week and severe bombings in Ukraine over the weekend, it is evident to everybody that Russia has little interest in a ceasefire agreement. Trump may also have changed his view on Russia, calling Putin Crazy over the weekend.

We anticipate new sanctions from the EU and the UK, including lowering the price cap on Russian oil to between USD 45 and 50. However, the G7 meeting last week showed that the US is unlikely to implement similar measures. Nonetheless, sanctions targeting the Russian oil sector, which could at least affect oil flows on the margin, are progressing and supporting oil prices.





3. OPEC+ to announce a significant new production increase on June 1st

Last week, a Bloomberg report quoting anonymous OPEC+ delegates said the group once again discussed a significant production increase of 411,000 barrels per day. If implemented, it would mark the third monthly increase of this scale. The next OPEC+ meeting, for the eight major countries currently phasing in 2.2 mb/d of oil production, is set for May 30, with a possible production hike coming into effect on May 30. All 27 members of OPEC+ will meet tomorrow, Wednesday.

It remains unclear what is driving OPEC+'s latest policy shift. Officially, the group refers to healthy market balances and low inventory levels, though that explanation is met with scepticism. Unofficially, the move appears driven by Saudi Arabia's desire to pressure quota violators such as Kazakhstan and Iraq to cut output. By raising production overall, the Saudis are also regaining internal market share within the group.

There are also speculations that OPEC+ unofficially targets market share from US producers, who are struggling at current price levels. Additionally, there is speculation that Saudi Arabia may seek to align itself with Trump, who has publicly preferred oil around USD 50.

However, no matter the reason, the change in OPEC+ production policy has surprised the market and added to uncertainty and volatility. Note that the extra OPEC+ oil coming to the market so far has been modest due to compensation cuts, and that the first significant production increase only occurred here in May.

4. Financial drivers are volatile and create intra-day volatility in oil markets

First, there is growing concern about long-term US interest rates. The 10-year yield rose above 4.5 per cent, and both the 20- and 30-year yields traded above 5 per cent last week. Long-term rates are approaching their highest levels in two decades.

With an already massive federal debt and large deficits expected in the coming years, interest payments on US government debt are set to rise sharply. Last week, the Trump administration pushed its budget through the House of Representatives. It now moves to the Senate. Even during economic expansion, the plan outlines a deficit of more than 6 per cent of GDP. A common rule of thumb suggests that the figure could rise by five percentage points in a recession scenario.

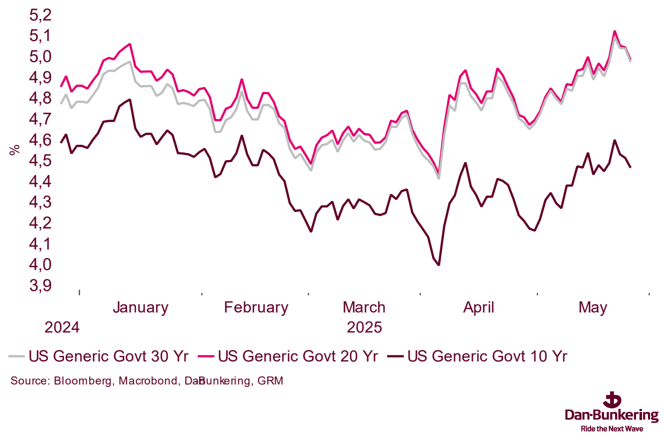
Markets are simply losing confidence in US Treasuries. Moody's removed its AAA rating for the US last weekend – the last of the three major rating agencies to do so. Rising yields are negative for risk appetite and weigh on oil prices.

Second, the US dollar is under pressure. In the past, the dollar typically strengthened in times of financial and economic uncertainty. That's no longer the case, as the uncertainty originates in the US. Just like Treasuries, investors are starting to lose faith in the dollar. It now weakens in periods of stress and strengthens when markets turn optimistic. Hence, a lower oil price has gone hand in hand with a weaker US dollar, as measured by the DXY dollar index below.

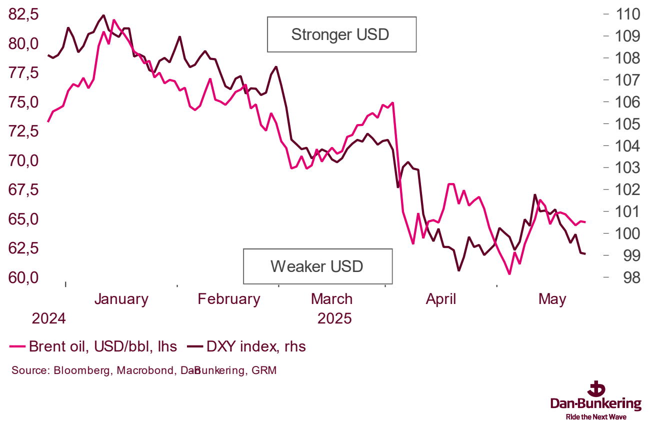
However, oil is not solely dependent on US demand, which makes it more resilient than, for example, US equities. Investors may even seek USD-denominated commodities when the dollar comes under pressure. Historically, a weaker dollar tends to support the oil price, and that pattern may be about to return.

The sharp moves in bond and FX markets contribute to significant intraday volatility in oil.

US government yields on the rise, %



The US dollar is under pressure. A weaker US dollar (DXY index) may start to support commodities

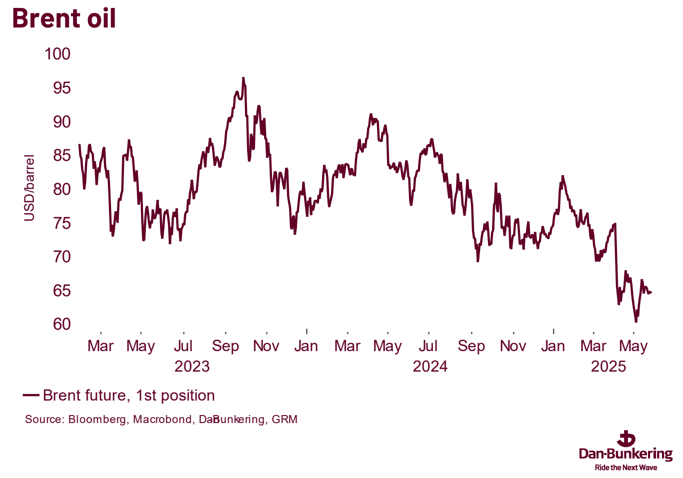


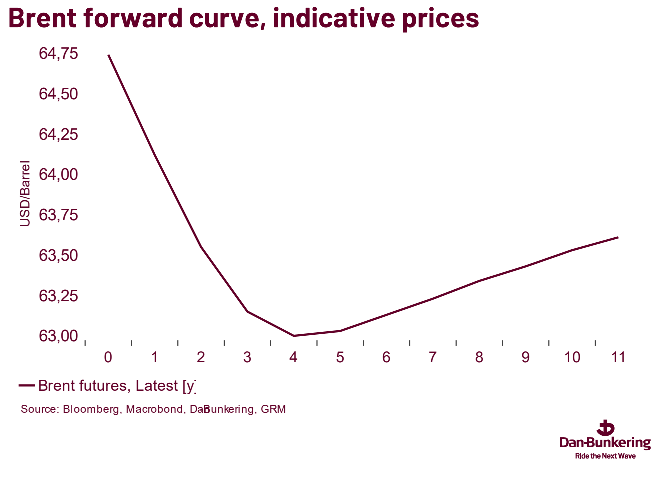
Price forecast

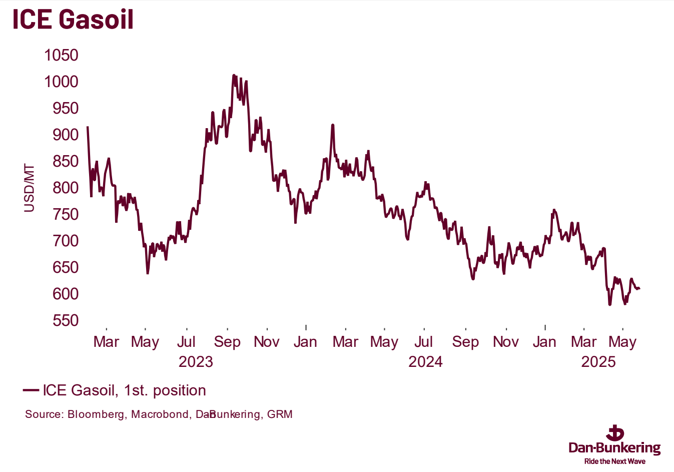
	Spot	Q2 2025	Q3 2025	Q4 2025	avg. 2025	avg 2026
Brent, USD/bbl	65,0	66	68	68	69	68
ICE Gasoil, USD/MT	614	637	653	656	666	656
HSFO (1M 3.5% Rotterdam Barge), USD/MT	402	403	417	413	425	413
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	447	454	468	470	474	470

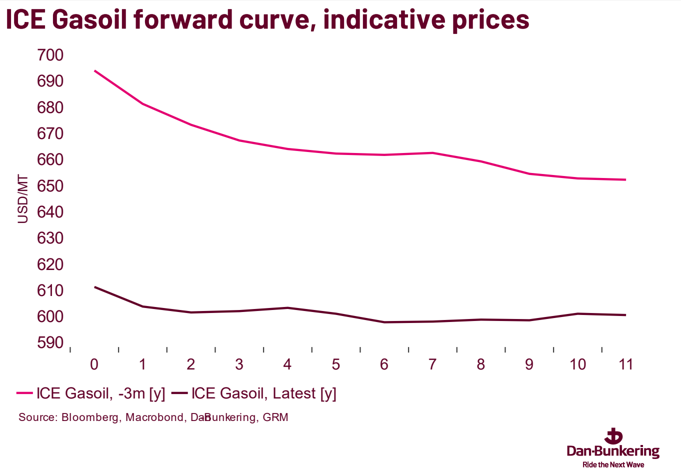
Source: Dan-Bunkering, indicative spot-prices based on Bloomberg 1M fair-value

Overview Charts:

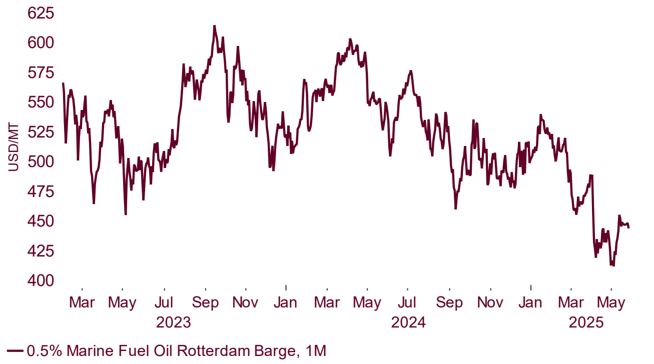






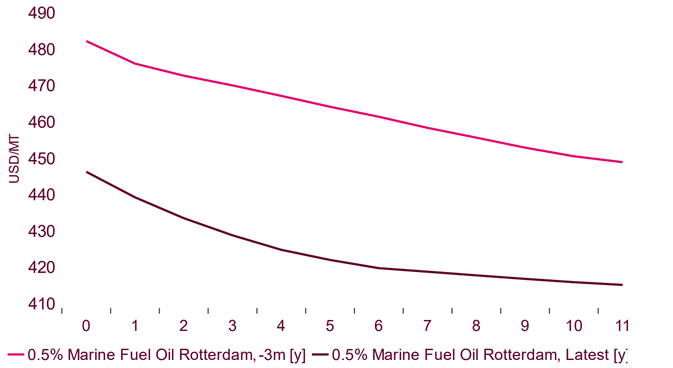


0.5% Marine Fuel Oil Rotterdam Barge, M1



Source: Bloomberg, Macrobond, Dan Bunkering, GRM

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

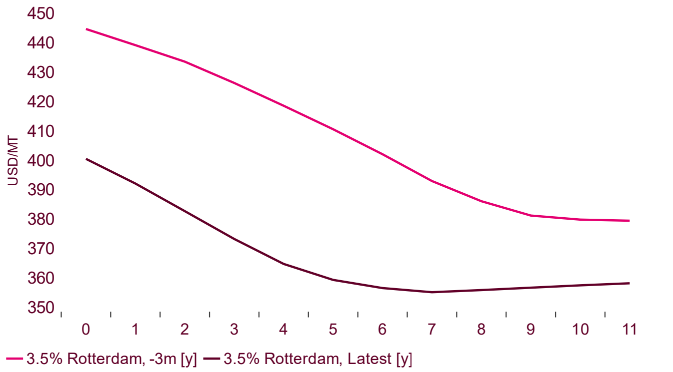


Source: Bloomberg, Macrobond, Dan Bunkering, GRM

Rotterdam 3.5% Barge

Source: Bloomberg, Macrobond, Dan Bunkering, GRM

Rotterdam 3.5% Barge forward curve, indicative prices



Source: Bloomberg, Macrobond, Dan Bunkering, GRM