































# Weekly Market Report

May 6, 2025

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

# Bunker Port Brief

## Singapore































	VLSFO	HSFO	MGO
Availability	    	    	    
Days of notice	10	9	6
Demand	    	    	    

The Asian LSFO market is expected to strengthen in the May 5-9 trading week. Supplies are tighter near-term, after a recent slump in outright values led to increased inquiries in the Singapore bunker market.

The Asian HSFO market should stay under pressure, with ample prompt supplies. Seasonal power generation demand may cap further downside.































The Asian LSMGO market is expected to trade rangebound to weaker during the current week. An uptick in supply is anticipated as refinery operations are gradually resumed after turnarounds.

## ARA

	VLSFO	HSFO	MGO
Availability	    	    	    
Days of notice	4-6	4-6	3-4
Demand	    	    	    

BP's refinery is currently undergoing maintenance. While the market impact has been limited so far, this could change depending on the duration of the outage and evolving supply conditions.

## Houston







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

Bunker markets continue to slide on falling crude and weakening demand.

Houston VLSFO/MGO is well supplied at the moment, with all suppliers competing heavily for spot demand. Accordingly, spot premiums are much sharper than levels seen on term/contract pricing.







Weather conditions both in port and offshore look unfavourable for the remainder of the week. Operational delays are possible, especially offshore and at Bolivar Roads anchorage

## New York

	VLSFO	HSFO	MGO
Availability			
Days of notice	2	4	1
Demand			







The bunker lifting for HSFO and VLSFO remains steady on contract for container ships. The spot demand for bunker is highly muted. Tariff negotiations are seriously impacting port calls to NYH.

## Panama

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







The market is quiet, even with Crude down.

## Gibraltar

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

Port has been slightly congested, but we see an overall increase in notice days for all products  
The Canaries included.

## Malta







	VLSFO	HSFO	MGO
Availability			
Days of notice	7-9	7-9	7-9
Demand			

We are seeing an increase in notice days, and a general change in the market behavior

Premiums have increased with the high demand







Cargo further seems limited

## Port Louis

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







The Port Louis Harbour Master is currently stating that some vessels depending on LOA and GRT of vessels may have to berth at certain berths only and take via expipe should the barge not be able to safely alongside. Please have clients advise all available information of their vessel, so as to smoothly arrange bunker logistics prior fixing.

## Durban

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

Lax demand continues in the Durban region; however, the Port of Port Elizabeth has seen a barge disruption with an unknown resume date, meaning potential demand from PE may be shifted to Durban for bunkers only.

## Walvis Bay

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

Poor winter weather means potential rolling swells; all vessels supplied this week were brought into calmer waters at the anchorage, with the anchorage fees of 15k USD plus additional agency costs incurred.



## **OPEC+ adds even more oil to the market, and HSFO remains expensive**

Last week, we argued that we are seeing signs of stabilisation in financial markets after the “Liberation Day” rollercoaster in the oil market and other markets at the beginning of April.

We might have seen some stabilisation in financial markets in general. Oil prices, on the other hand, remain under pressure. Brent is trading around USD 61.5 after trading above USD 67 in mid-April and as low as USD 59 yesterday morning.

The big market driver over the last week has been OPEC+ and the announcement on Saturday that oil production will be hiked by another 411,000 barrels per day in June.

In today’s issue, we discuss the market outlook after the OPEC+ announcement and we also take a closer look at the drivers in the HSFO market and why HSFO are expensive relative to VLSFO and Brent.

Overall, we reiterate that we see strong support for Brent in the USD 60–64 range. However, with the stabilisation of financial markets, we may, on the one hand, slowly return to the USD 70 level over the coming three to four months. On the other hand, the OPEC+ announcement and the likely slowing of the world economy speak in favour of lower oil prices.

### **Hence, in today’s issue, we take a closer look at,**

- Why did OPEC+ decide to hike oil production?
- Why is HSFO expensive on a relative basis?

#### **1. OPEC+ adds another large chunk of oil to the market**

The oil price came under pressure Monday morning after OPEC+ delivered another significant production increase of 411,000 barrels per day on Saturday. Brent traded just above USD 59.5 after closing at USD 61 on Friday.

However, the move was not a major surprise. The oil market has recently been expecting OPEC+ to deliver another significant increase of 411,000 barrels per day, just as it did a month ago. This was especially true after Saudi Arabia stated that it could live with low oil prices for an extended period last week.

OPEC+, led by Saudi Arabia, has made no secret of its efforts to pressure quota cheaters, Iraq and Kazakhstan, into complying with quotas through accelerated production increases. The latter has stated that it acts in its “own interest” and cannot force foreign operators to reduce production.

OPEC+ did not just deliver a significant production increase – it (read: Saudi Arabia) also leaked to the media that it is willing to continue increasing production in the coming months, so that the 2.2 million barrels per day, originally scheduled to be phased in by the end of 2026, can instead be phased in by October this year.

In other words, OPEC+ has launched an internal market share war. But it is also an external war for market share. With Brent below USD 60, it seriously hurts U.S. shale oil producers.

It also cannot be ruled out that, in particular, Saudi Arabia and Russia have increased production to present themselves favourably to Trump, who wants oil prices at the USD 50 level.

We may now face rising global inventories, and with Kazakhstan unlikely to reduce production in the coming months, along with weakened global growth due to the trade war, the outlook for oil prices remains bearish in the coming days.

### **That said, Brent oil is actually higher today than at close Friday. How come?**

This highlights that the market was likely anticipating OPEC+ increasing supply, a classic case of “buy the rumour, sell the fact.” Many consumers likely perceive Brent prices below USD 60 as a bargain. This is especially true for buyers using foreign currencies, as Brent and related oil products now appear relatively inexpensive following the dollar's recent weakening.

It could also indicate that, with US WTI oil as low as USD 56 yesterday, prices have fallen below the break-even point for new US shale oil drilling.

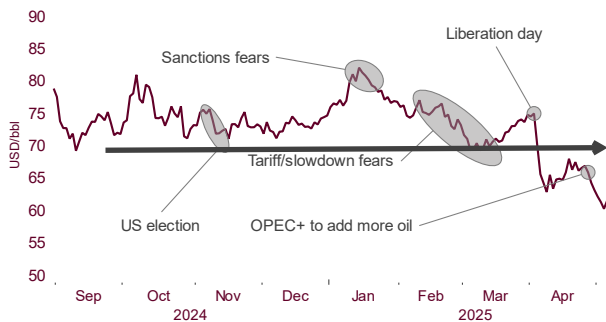
The price increase may also reflect that Brent was technically oversold yesterday. When the so-called RSI indicator reaches 30, as it did, it is considered a strong technical buy signal. With the UK on holiday, market movements were likely amplified due to low liquidity.

However, significant challenges remain regarding the price of oil. Demand is expected to be affected by the ongoing trade conflict, even though the second and third quarters are typically strong from a seasonal perspective. In addition, it seems that OPEC+ plans to continue its rapid rollback of production cuts. Another significant increase may be on the way when the eight members behind the extraordinary 2.2 million barrel cuts meet again in early June.

Yesterday's price action showed firm support for Brent at around USD 60. Furthermore, some factors present a clear upside risk for the oil price and should be considered when choosing hedging strategies as a buyer:

- The likelihood is increasing that the US will implement strict sanctions against Iran.
- The US-China trade war and improved relations with Ukraine incentivise the US to cut off China from cheap Russian oil through stricter sanctions.
- OPEC+ changes course because oil becomes too cheap or Kazakhstan implements production cuts.

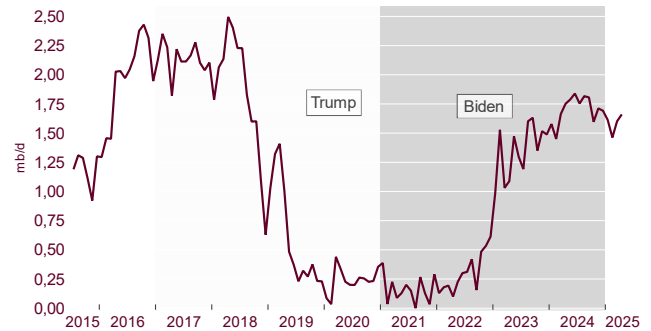
### Brent saw support at USD 60



— US election  
Source: Bloomberg, Macrobond, DaBunkering, GRM

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### Focus on US sanctions on Iran



— Iran oil export  
Source: Bloomberg, Macrobond, DaBunkering, GRM

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## 2. HSFO remains strong

One of the questions we often get is why HSFO in both ARA and Singapore is expensive on a relative basis. Importantly, not on a flat price basis but relative to Brent – the so-called crack and vs VLSFO – the so-called HI5 of scrubber spread.

Today, the discount for a barrel of HSFO is just USD 2 in Rotterdam, and the premium is even positive in Singapore. The scrubber spread is at or below the level seen in 2020.

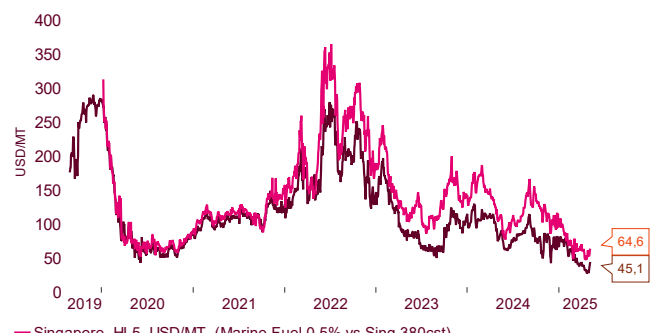
### HSFO and VLSFO cracks vs Brent, USD/bbl



— Rotterdam Fuel Oil 0.5% FOB Brg Swap crack — Rotterdam 3.5% Barges crack  
Source: Bloomberg, Macrobond, DaBunkering, GRM

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### HI5/scrubber spread (VLSFO-HSFO). USD/MT



— 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, DaBunkering, GRM

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## Several demand and supply factors have supported HSFO.

### Demand factors:

- Maritime demand has been high due to the closure of the Red Sea (Round the Cape)
- The recent hoarding ahead of the tariffs may also have added extra maritime demand
- We have seen a growing number of installations of scrubbers
- The SECA zone in the Med may also have added to HSFO (3.5%) demand as shippers have moved from VLSFO to scrubbers and 3.5%.

- We are now approaching the peak demand season as FO is used for power production in the Middle East (air conditioning)
- Traders/spec-accounts buying into the HSFO structural case (momentum trading)

**Supply factors:**

- The OPEC production cuts have mainly taken away heavy sour crude that provides more residual oil
- The tougher sanctions on Iran and Venezuela have also removed heavy sour crude oil from the market; notably, the oil from Venezuela is Extra-heavy.
- The sanctions on Russian oil have made the Russian medium sour blend like Urals less available, also in Singapore
- On the other hand, more and more light crude oil (less residuals), notably from the US, has hit the market
- Modern refineries like Al-Zour and Dangote are, in general, producing fewer residuals. They are better to use the “bottom of the barrel”

**What to expect over the summer?**

Looking ahead to the summer, several structural factors are likely to keep the high-sulfur fuel oil (HSFO) market tight. One key reason is the seasonal increase in demand from the Middle East, where HSFO is used for power generation during the hot months.

At the same time, we’re starting to see some larger shifts in the oil market. OPEC+ is adding more supply, which means more heavy sour crude will be available in the coming months. On the geopolitical front, easing sanctions on Russian oil could increase supply, but stricter sanctions on Iran may balance this.

Another critical factor is maritime demand. As the stockpiling of goods ahead of U.S. tariffs winds down, shipping activity is likely to slow. The weaker global growth and trade point to reduced maritime fuel demand.

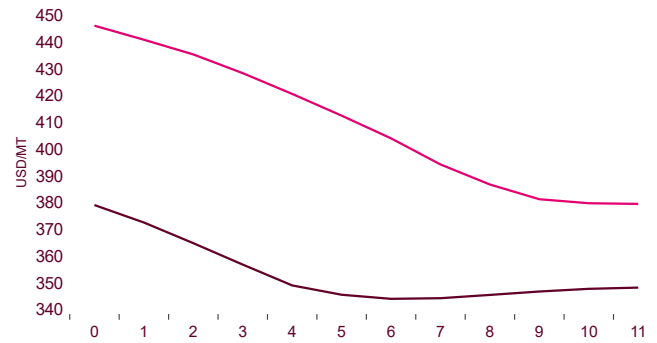
Hence, given the change in OPEC+ policy and the outlook for weaker maritime demand, the strong HSFO market might weaken somewhat relative to Brent and VLSFO over the summer.

Notice that this is already priced in the market. That is why the HSFO curve remains in backwardation. Hence, it is possible to lock in these expectations (backwardation) through a fixed-price agreement or in the paper market.



**HSFO flat prices at a low level, USD/MT**

— Bloomberg Fair Value Price/Singapore Singapore 380 cSt Fuel Oil Month 1  
 — Bloomberg Fair Value/European Fuel Oil 3.5% FOB Rotterdam Barge Swap Month 1  
 Source: Bloomberg, Macrobond, DaBunkering, GRM

**And the curve is in backwardation (months, USD/MT)**

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

**Price forecast**

	Spot	Q2 2025	Q3 2025	Q4 2025	avg. 2025	avg 2026
<b>Brent, USD/bbl</b>	62,2	65	66	66	68	65
<b>ICE Gasoil, USD/MT</b>	595	642	661	648	667	635
<b>HSFO (1M 3.5% Rotterdam Barge), USD/MT</b>	380	395	398	394	412	386
<b>VLSFO (1M 0.5% Rotterdam Barge), USD/MT</b>	425	433	436	438	453	429

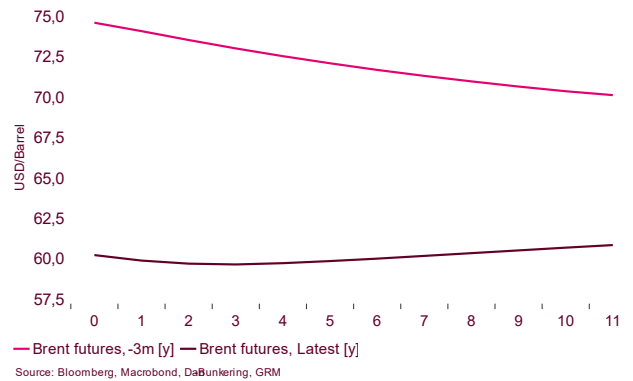
Source: Dan-Bunkering, indicative spot-prices based on Bloomberg 1M fair-value

## Overview Charts:

### Brent oil



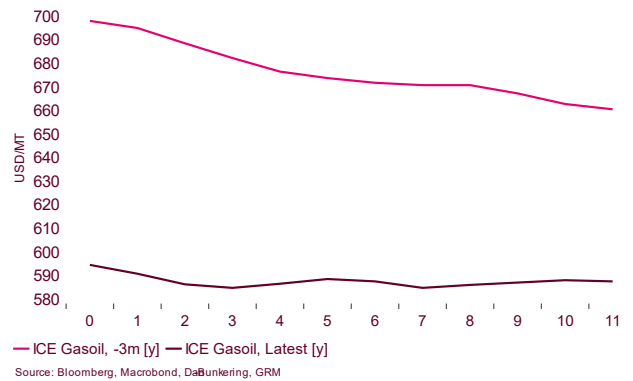
### Brent forward curve, indicative prices



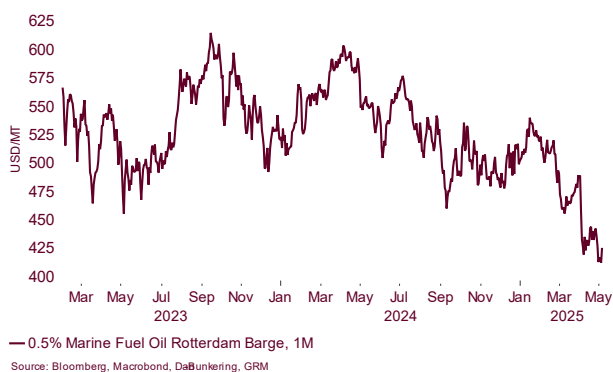
### ICE Gasoil



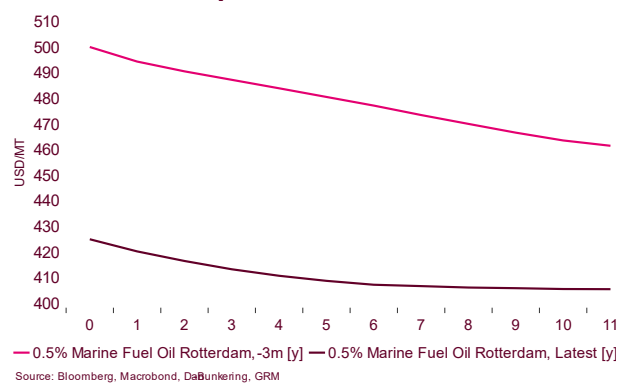
### ICE Gasoil forward curve, indicative prices



### 0.5% Marine Fuel Oil Rotterdam Barge, M1



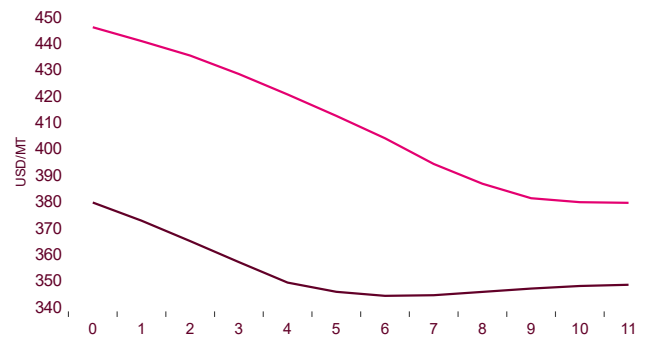
### 0.5% Marine Fuel Oil Rotterdam Barge Forward Curve, indicative prices



**Rotterdam 3.5% Barge**

— 3.5% Rotterdam Barge, 1M

Source: Bloomberg, Macrobond, DaBunkering, GRM

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

— 3.5% Rotterdam, -3m [y] — 3.5% Rotterdam, Latest [y]

Source: Bloomberg, Macrobond, DaBunkering, GRM

