Dan-Bunkering
Ride the Next Wave

Weekly Market Report

August 4, 2026

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

Bunker Port Brief

Singapore

	VLSFO	HSFO	MGO
Availability	■■□□□	■■■□□	■■■□□
Days of notice	15	12	8
Demand	■■■□□	■■■□□	■■■□□

ARA

	VLSFO	HSFO	MGO
Availability	■■■□□	■■■□□	■■■□□
Days of notice	5-6	5-6	7-9
Demand	■■■■□	■■■□□	■■■■□

MGO is extremely tight with longer lead time. Rest normal.

Fujairah

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

The ongoing conflict continues to create demand destruction for the ports in the Middle East.

Fujairah has very good product availability across all grades and with the weak demand it has begun to put pressure on delivered premiums.

Panama

	VLSFO	HSFO	MGO
Availability	■■□□□	■■□□□	■■□□□
Days of notice	3-5	4-6	3-5
Demand	■■□□□	■■□□□	■■□□□

Very quiet.

Durban

	VLSFO	HSFO	MGO
Availability			
Days of notice	5-8	10-14	5-7
Demand			

Tight HSFO avails in the market as replenishments are yet to come, expected in the next 2 weeks. VLSFO avails fine and some suppliers take any volume they can when it is seen, at lower premiums than last weekly historical. Gasoil avails OK, but levels still remaining high due to government pricing.

Port Louis

	VLSFO	HSFO	MGO
Availability			
Days of notice	10-12	10-12	8-10
Demand			

Increased demand last week due to the Red Sea issues has seen EDD's pushed out; many are mid-month supply at earliest majority.

Premiums are still sitting same as last while, even with more demand, as suppliers wanting to shift products.

Walvis Bay

	VLSFO	HSFO	MGO
Availability			
Days of notice	8-15	15-20	5-10
Demand			

Tight HSFO avails as remains; VLSFO demand has been tepid since last week - poor weather remains in place in the region; anchorage supplies always taking preference. Premiums dipping as suppliers try take in what volume is seen.

In this first issue after the Weekly Market Report's summer break, we provide an update and discuss the outlook for oil and bunker prices following the volatility during July. We place particular focus on VLSFO and HSFO pricing and the move higher in the HI5/scrubber spread.

Oil and bunker update: Escalation risks remain high for crude and tight gas oil and VLSFO markets

Brent crude oil recovers once again as escalation fears are on the rise

Brent crude oil prices fell sharply in June, notably after the Memorandum of Understanding was signed on June 17, providing a 60-day ceasefire. However, the ceasefire broke down in July, and Iran closed the Strait of Hormuz once again, and the US carried out several airstrikes on Iran.

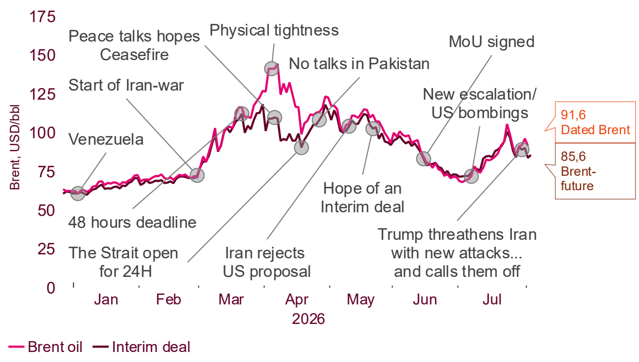
Over the last couple of weeks, the situation has escalated further. The Iran-backed Houthis threatened shipping in the Red Sea, a drone hit an LNG tanker in Egypt, and on Tuesday Iran carried out a surprise attack on a US base in Jordan.

Ahead of the weekend, concerns about further escalation were growing. Trump had once again promised to launch a massive military strike against Iran, while Iran had promised massive retaliation. However, Trump apparently developed cold feet over the weekend, and the attack was called off at the last minute. According to various media outlets, Saudi authorities were among those that placed intense pressure on the US to de-escalate the situation amid fears of Iranian attacks on energy infrastructure.

In a post yesterday evening, Trump wrote that negotiations are under way and that further meetings are planned. However, Iran denies that negotiations are taking place with the US or its allies in the region. Iran is talking to Oman about how to control the Strait of Hormuz. According to Iran, an agreement would not mean that the Strait would immediately reopen to traffic.

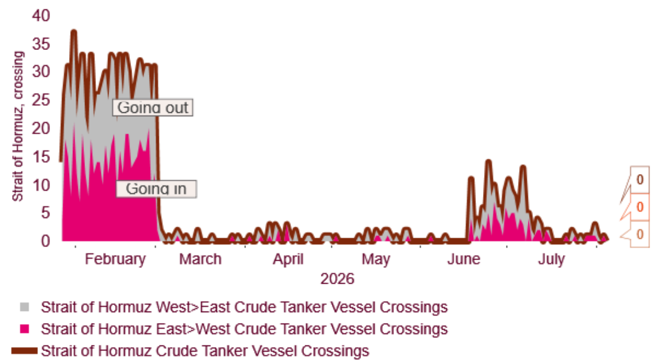
The clearly conflicting messages mostly suggest that no actual negotiations are taking place, though Qatar seems to have circulated a proposal for a short-term US-Iran deal. But the risk of escalation is still high in the coming days. At the same time, very little oil continues to pass through the Strait of Hormuz. According to Bloomberg's AIS-based tracking data, no crude oil tankers have passed in the last 24 hours. Note the data does not include vessels going dark.

Brent moving higher again ...



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

... and no crude oil tankers passing SoH (AIS-based)



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

The US may choose to resume its military attacks on Iran as there seems to be no talks ongoing, or Iran may choose to escalate, as we saw last week with the attack on an LNG vessel in Egypt and the surprise attack on the US base in Jordan. We therefore expect the oil price to start rising again over the coming weeks.

More chokepoints now impacted

Importantly, compared to before the summer break, more choke points are now impacted. Strait of Hormuz remains effectively closed, the Houthis ' campaign seems to impact shipping in the Red Sea, and the latest Iranian attacks on an LNG vessel in Egypt may even put the Suez Canal at risk. Add to that the successful Iranian attacks on Russian energy infrastructure that have already led to a stop for Russian diesel exports. The loadings of oil from Kazakhstan at the CPC terminal in Novorossiysk have also been impacted by the war in Ukraine.

Hedge the remainder of 2026

Hence, even though we are well above the June price level now, we argue that the current price level is attractive for buyers, given the risk/reward balance. Oil and many product curves remain in backwardation. It may therefore be appropriate for buyers to lock in exposure for the remainder of 2026. It is not yet the right time to enter into new long-term hedges for 2027 and 2028.

Bunker/fuel update

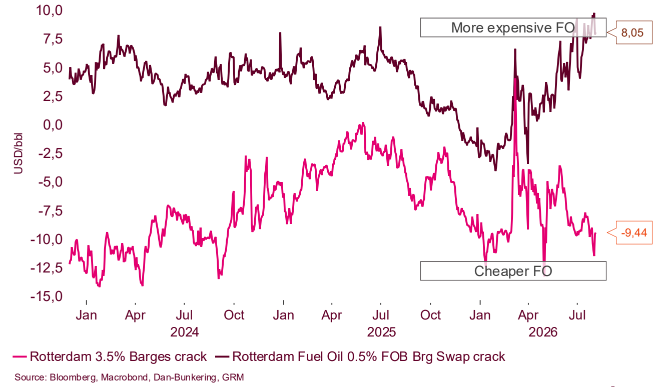
In the fuel oil market, **VLSFO** in particular became more expensive during July, as measured by the crack. VLSFO is a blended product, and high cracks for refined products such as petrol and diesel increase demand for VGO, which – as a blending product - is used in the production of VLSFO.

Threats to shipping in the Red Sea have also increased demand for bunker fuel, as sailing distances lengthen when vessels are rerouted around Africa rather than through the Suez Canal.

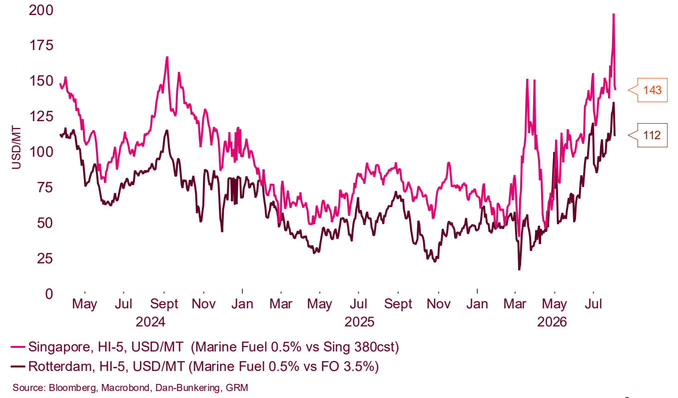
More expensive VLSFO has pushed the so-called HI5 spread higher during July. HI5 is the price difference between HSFO and VLSFO.

HSFO has developed very differently. The HSFO crack now trades at levels comparable to those seen in the second half of 2025. In Rotterdam, the 1M crack is USD -10/bbl. The market remains well-supplied with HSFO. Demand is lacklustre, and supply is adequate, with high refinery run rates adding more residual fuel oil to the market.

Stronger cracks in VLSFO relative to HSFO ...



... has pushed the HI5/scrubber spread higher



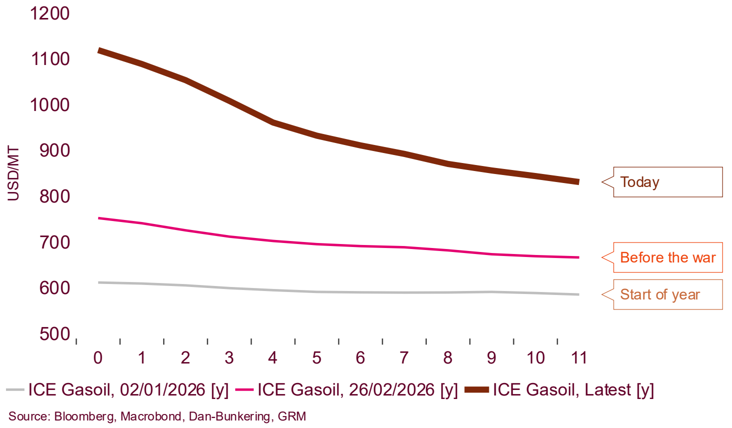
Gasoil developments – cracks moved higher during July

The ICE Gasoil crack declined through June and traded briefly below USD 40, but has since recovered during July and briefly traded above USD 80/bbl. This underlines that the distillate market, notably Gasoil(diesel/MGO)) remains much tighter than the crude oil market. The crack, at USD 65 today, is also still well above the USD 20-25 level seen before the war.

Russia has stopped exporting diesel; there is very little refined product coming out of the Middle East; Chinese exports are limited; and global inventories are small. The ICE gasoil curve remains in backwardation, also pointing to a tighter market than crude oil.

Higher ICE gas oil crack in July ...

... ICE Gasoil remain backwardation



Below is our forecast for oil, bunker fuel, and EUAs, updated as of August 4, 2026.

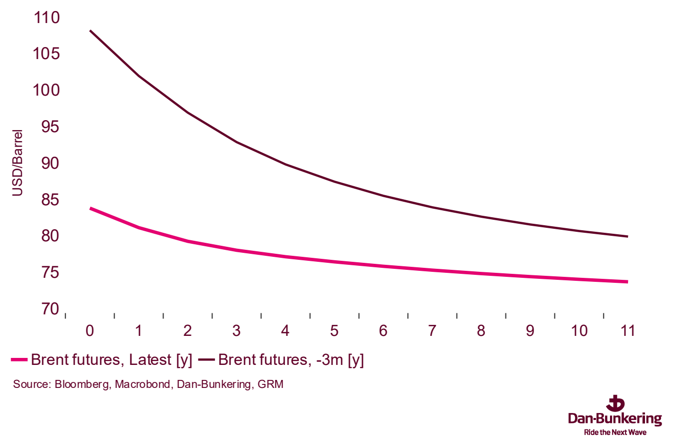
	Spot	Q3 2026	Q4 2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	avg. 2026	avg. 2027
Brent, USD/bbl	80,8	77	72	71	71	70	68	81	70
ICE Gasoil, USD/MT	1105	906	864	827	790	782	767	938	808
HSFO (1M 3.5% Rotterdam Barge), USD/MT	445	436	406	394	394	400	387	469	394
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	552	531	495	483	476	470	457	540	471
EUA spot, EUR/MT	81	80	92	93	94	95	96	81	95

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

Overview Charts:

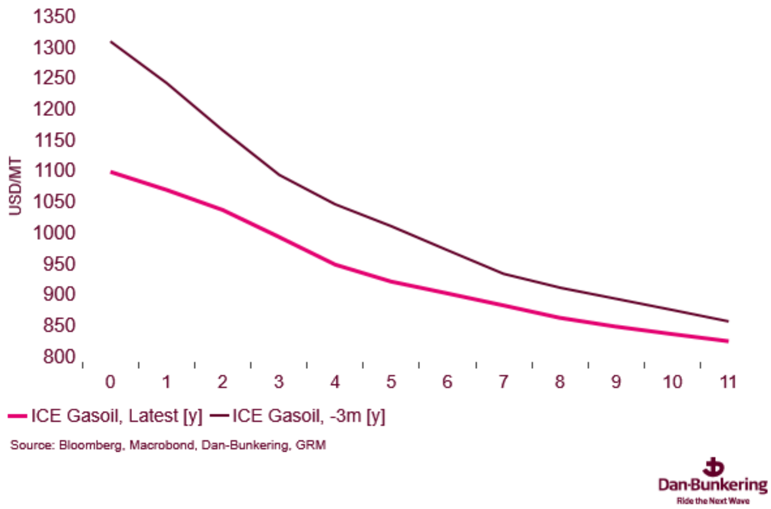
Brent oil

Brent forward curve, indicative prices

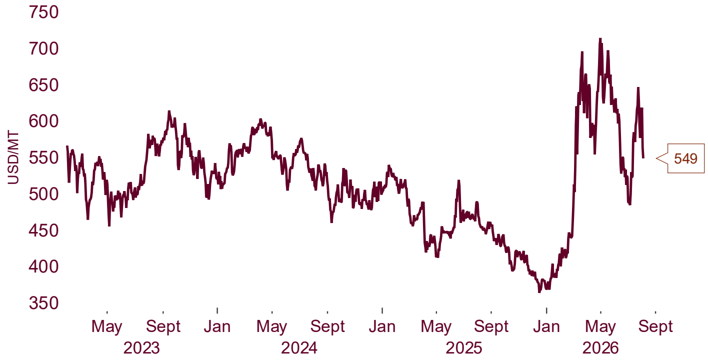


ICE Gasoil, 1. Pos.

ICE Gasoil forward curve, indicative prices



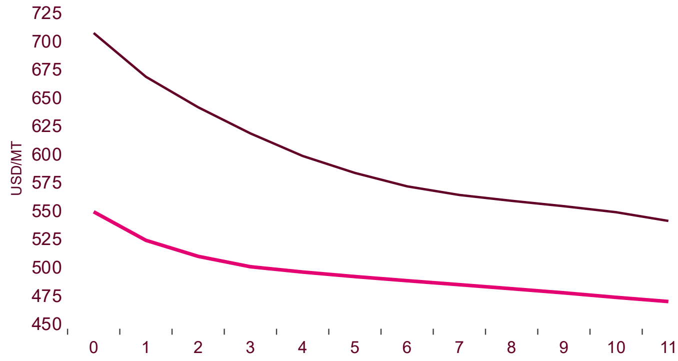
0.5% Marine Fuel Oil Rotterdam Barge, M1



—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, Latest [y] —0.5% Marine Fuel Oil Rotterdam, -3m [y]

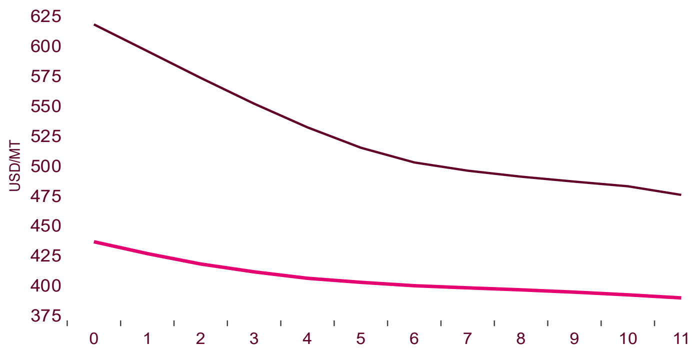
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

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, Latest [y] —3.5% Rotterdam, -3m [y]

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM