Dan-Bunkering
Ride the Next Wave

Weekly Market Report

September 29, 2026

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

Bunker Port Brief

Singapore

	VLSFO	HSFO	MGO
Availability	■■■□□	■■■□□	■■■□□
Days of notice	9	11	7
Demand	■■■□□	■■■□□	■■■□□

New York

	VLSFO	HSFO	MGO
Availability	■■■□□	■■■□□	■■■□□
Days of notice	5	7	3
Demand	■■■■□	■■■■□	■■■□□

Demand on contract has been heavy, with premiums elevating; however, at a reduced rate vs Asia. Distillate availability continues to dissipate and fears for bbl shocks into Q4 and Q1 27. This past weekend saw NYH close due to a Nor'easter. Will take a few days for traffic to clear.

ARA

	VLSFO	HSFO	MGO
Availability	■■□□□	■■□□□	■■■□□
Days of notice	6-7	7-8	4-5
Demand	■■■□□	■■■□□	■■■■■

We note that VLSFO and HSFO avails are tightening, and suppliers are facing loading issues. DMA on prompt is still alright with a high discount. B100 is still a more attractive option to DMA, trending at -60 to DMA levels.

Fujairah

	VLSFO	HSFO	MGO
Availability	■■□□□	■■■■■	■■■□□
Days of notice	5-7	2-3	2-4
Demand	■■■□□	■■□□□	■■□□□

VLSFO premiums are edging higher on limited cargo availability, though additional cargoes expected in October should help ease the market. HSFO remains well supplied with premiums under pressure from oversupply, while overall bunker operations continue as normal despite the regional tensions.

Panama

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

Durban

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

Only Duty paid MGO available in Durban.

Port Louis

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

We are seeing increased volume in Port Louis due to tight avails in South Africa.

Walvis Bay

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

Skaw

	VLSFO	HSFO	MGO
Availability	■□□□□	■■■□□	■■■□□
Days of notice	8	3	2
Demand	■■■□□	■■■□□	■■■□□

No terminal availability VLSFO until 4/5th.

Gibraltar

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

Bad weather is expected on 02-03/10.

In this issue of Weekly Market Report, we have two sections: Crude oil geopolitics and a special focus on diesel and gasoil (MGO). We also discuss the recent drop in the HI5/scrubber spread.

Crude oil and geopolitics: Deal or no deal? No deal is our call

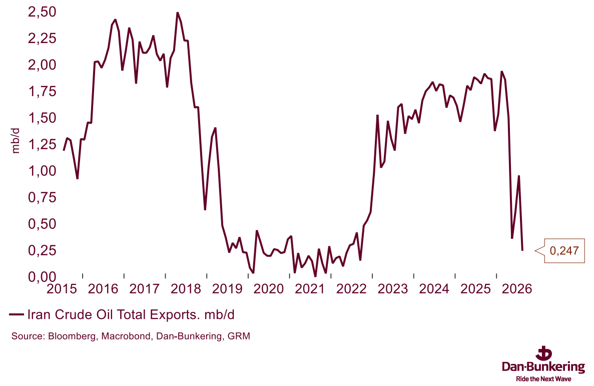
The past few days have again shown how quickly diplomatic optimism can disappear from the oil market. Brent fell below USD 100/bbl last week on hopes of a phased US-Iran agreement and improving crude flows but has since rebounded above USD 107/bbl in the November contract, while the more actively traded December contract is just below USD 100. Better crude flows out of the Gulf and the partial restoration of Saudi Arabia's East-West pipeline are important bearish developments, but the lack of progress in US-Iran talks continues to keep a substantial geopolitical risk premium in the market.

Iran's proposal to reopen the Strait of Hormuz within seven days remains on the table, but no breakthrough has emerged. US and Iranian officials held separate talks with mediators on Monday about an updated version of the proposal. However, Iranian officials have reportedly expressed private pessimism about the prospects of reaching an agreement before the US midterm elections in November. Trump has also rejected reports that the US offered sanctions relief or the release of frozen funds in return for nuclear concessions. In contrast, Iranian Foreign Minister Abbas Araghchi has rejected suggestions that Iran is ready to show greater flexibility on the nuclear issue. A phased agreement involving a reopening of Hormuz would clearly be bearish for oil if implemented, but a considerable gap remains between presenting proposals and restoring reliable commercial shipping.

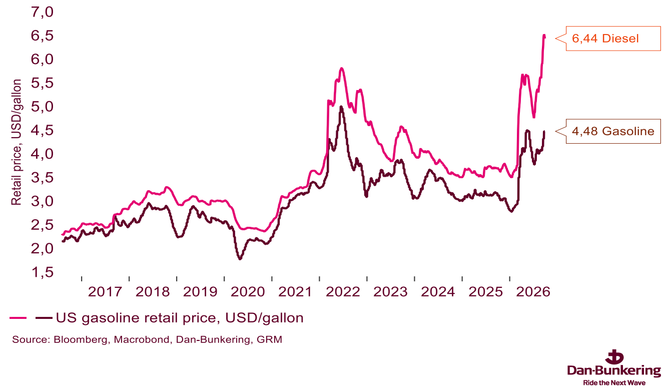
We still doubt a lasting agreement is imminent. High energy prices, notably diesel and gasoline prices, put pressure on Trump ahead of the November midterm elections, but they also give Iran a reason to retain control over Hormuz. Meanwhile, the US has considerable leverage through its ability to restrict Iranian oil exports.

Both sides want concessions before giving up their strongest bargaining tools. The diplomacy is worth taking seriously, and further positive headlines could trigger sharp price declines. However, the latest developments have strengthened rather than weakened our view that a deal before the midterms will be difficult. For now, our base case remains 'closed for longer', with volatile and restricted passage through the Strait.

US blockade of Iranian crude oil exports is effective. The US pressure point



High US gasoline and diesel prices are the Iranian pressure point

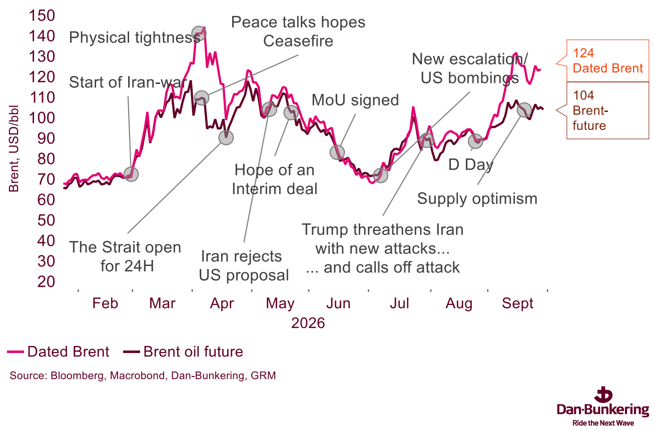


Since Friday, the supply picture has improved materially. Saudi Arabia is now reported to have restored at least half of the pipeline's flows following the drone attacks earlier in September, with throughput reaching at least 3.5 million b/d towards the Red Sea. Saudi Arabia also began exporting crude from Yanbu last week. This provides a meaningful alternative route around Hormuz and is clearly positive for supply, although the pipeline and Red Sea export infrastructure remain exposed to further attacks.

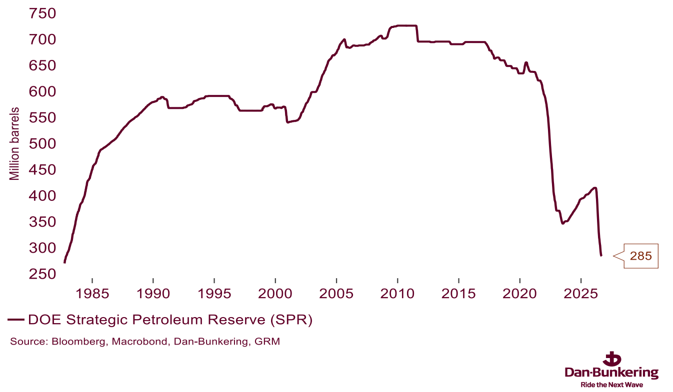
The alternative route is therefore important, but not risk-free. The recent Houthi attacks and threats against Saudi infrastructure are a reminder that moving barrels away from Hormuz can shift rather than eliminate the security risk. For Asian buyers, exports from Yanbu also require the longer route south through Bab el-Mandeb, another potential chokepoint.

At the same time, Kpler data cited by Reuters show exports from the major Middle Eastern producers rose to around 12.8 million b/d in September, the highest level since February. Together with lower Chinese imports since the start of the war, this means the draw on global inventories outside China is shrinking. However, the physical market remains very tight. Dated Brent was assessed at USD 124/bbl on Monday, while the steep backwardation in Brent futures continues to signal strong demand for prompt barrels.

Dated Brent well above the Brent future again



US strategic crude oil reserve at the lowest level since 1982



MGO/gasoil and diesel: A tight market faces a growing risk of a US export ban

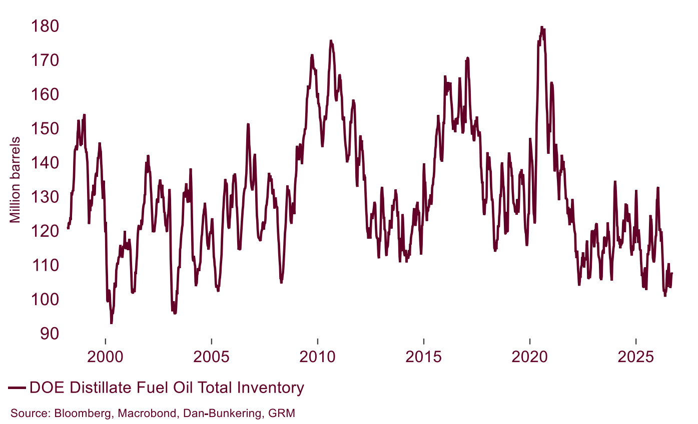
The past few days have reinforced our view that diesel and gasoil remain the main pressure points in the oil market. The benchmark ICE gasoil crack for October is trading around USD 85/bbl, down from briefly above USD 100/bbl a week ago, but still at an exceptionally high level.

Better crude flows offer some relief, but refined-product availability remains constrained. The risk of US export restrictions for diesel has added a political threat to an already tight market, just as harvest demand and preparations for winter increase the need for diesel and heating oil. However, the latest developments suggest the administration is also looking for alternatives to an outright export ban.

This week's EIA figures underline the limited buffer. US distillate inventories fell to 107.4 million barrels in the week to 18 September, around 12% below the seasonal five-year average. Refinery utilisation fell to 94%, and distillate production declined. US diesel and gasoil exports also fell back to the pre-war level last week.

Meanwhile, reduced Middle Eastern supplies and Russian refinery disruptions and export restrictions continue to limit the barrels available to international buyers. The chart below to the right is from the IEA and shows disruptions to global diesel and gasoil markets from Russia and the Middle East. With US diesel and gasoil exports of roughly 1.5 million barrels per day, or 20% of global daily seaborne exports, a US export ban could be similar in size to the combined disruption from Russia and the Middle East.

Small distillate inventories in US



Y/Y-change in global seaborne gasoil/diesel exports, August 2026

Source: IEA

China may also provide less relief. Reuters reported this week that diesel inventories had fallen to their lowest level since 2015. The recent recovery in exports has helped international markets, but low stocks now raise the risk of renewed restrictions in Q4.

The US diesel-export story has developed further over the last couple of days. The Trump administration is still considering measures to keep more diesel in the domestic market, but it is also examining regulatory alternatives, including broader sales of so-called red-dyed diesel. Energy Secretary Chris Wright has rejected a blanket zero-export ban, while voluntary arrangements or temporary or partial restrictions remain possible. The risk of intervention has therefore not disappeared, but the probability of a full export ban appears lower than it did at the end of last week.

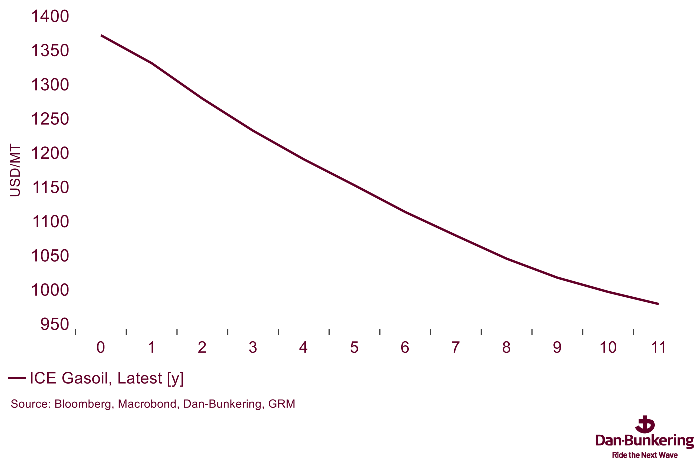
Even a partial restriction would intensify competition for the remaining international cargoes. In our view, European and Asian diesel prices would face renewed upward pressure, potentially keeping diesel expensive even if Brent falls on diplomatic progress. Conversely, a decision not to restrict exports could remove some of the current policy risk premium from the gasoil crack.

The US consequences of export restrictions would be less straightforward. TotalEnergies CEO Patrick Pouyanné warned on Monday that a ban could backfire: if US refiners cannot export surplus diesel, they may be forced to cut refinery runs, also reducing gasoline and jet fuel production. Prices could initially fall on the Gulf Coast as export barrels remain at home, while the East Coast, which still relies partly on imports, could face higher international prices. This helps explain the industry's opposition and why the administration is considering alternatives to an outright ban.

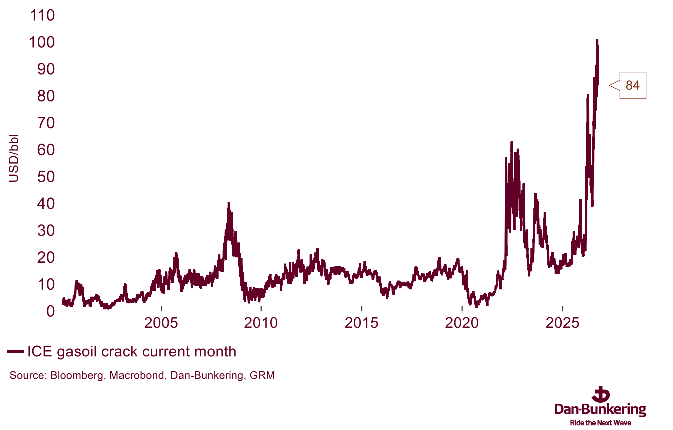
Despite the continuing policy risk, the diesel market has eased somewhat. The benchmark October ICE gasoil crack is trading around USD 85/bbl after briefly exceeding USD 100/bbl a week ago. This suggests that fears of an imminent US diesel-export ban have eased somewhat. Importantly, diesel and gasoil curves remain in steep backwardation, underlining that the physical market is still tight.

We continue to favour a high consumer hedge ratio ahead of winter, with shorter duration and additions on price dips. The hedge should reflect the actual product exposure: a crude hedge alone leaves the diesel crack exposed. Backwardation can offer lower forward entry levels, while retaining some flexibility is sensible given the potential for sharp policy-driven reversals.

ICE gas oil (diesel/MGO) forward curve, USD/MT



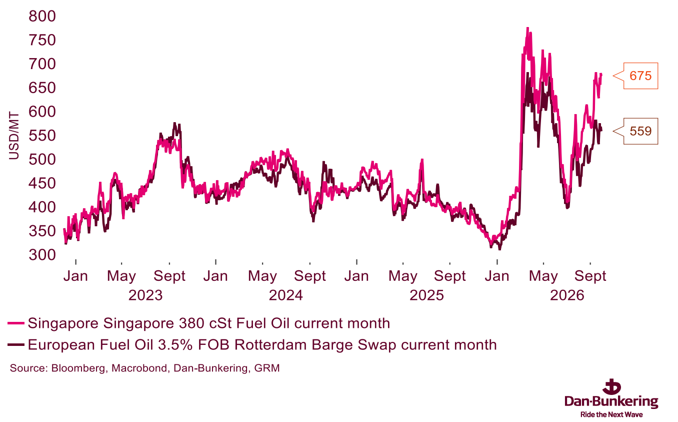
ICE gas crack has edged lower, but still elevated



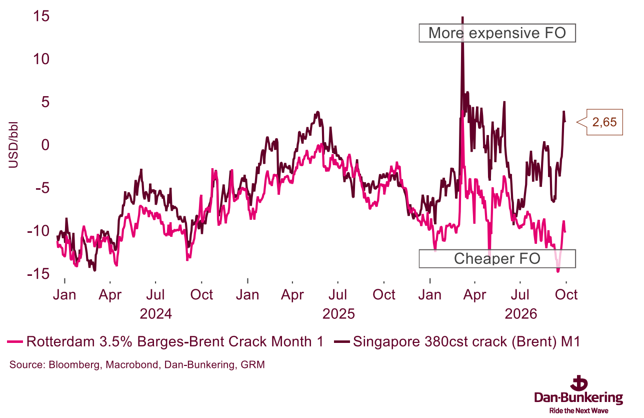
Lower HI5 in the bunker market as HSFO becomes more expensive

In the bunker market, MGO remains the product most directly exposed to the tight global middle-distillate market. The VLSFO market in Singapore also remains significantly tighter than in Rotterdam, while the strengthening of the HSFO crack over the past week has reduced some of the previously extreme difference between high- and low-sulphur fuel oil (HI5/scrubber spread).

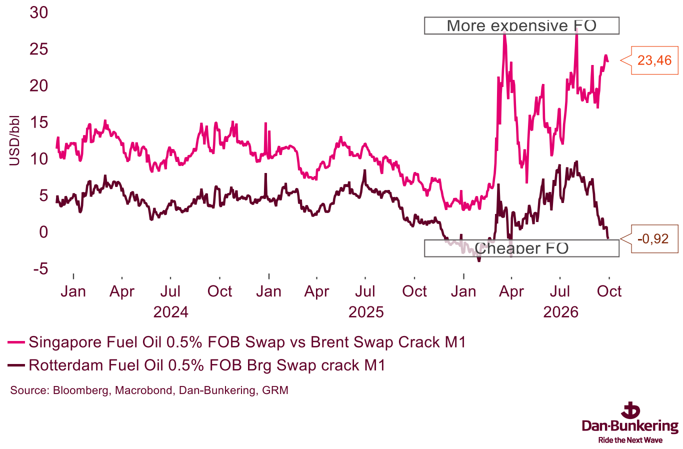
HSFO prices are still below March/April prices



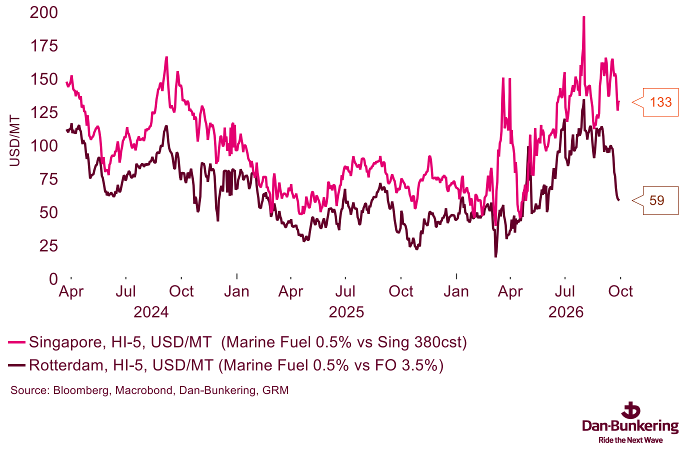
But, HSFO cracks are rising again



VLSFO cracks are moving in different directions in Rotterdam and Singapore, USD/bbl



HI-5/scrubber spreads(M1) have dropped notably in Rotterdam



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

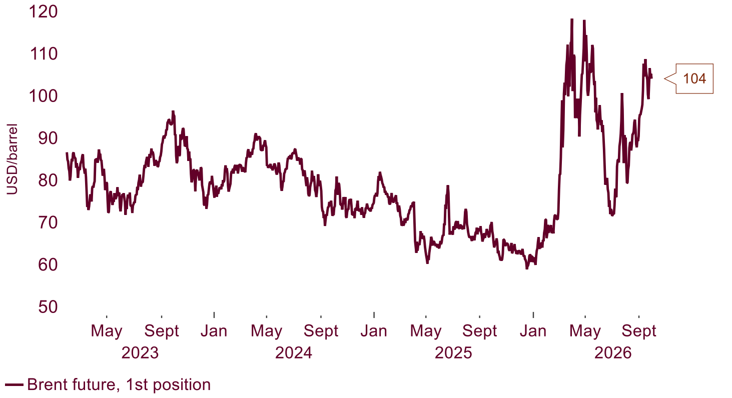
	Spot	Q3 2026	Q4 2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	avg. 2026	avg. 2027
Brent, USD/bbl	104,3	92	101	90	78	75	75	92	80
ICE Gasoil, USD/MT	1374	1353	1445	1192	954	931	857	1195	983
HSFO (1M 3.5% Rotterdam Barge), USD/MT	551	531	591	514	438	432	432	539	454
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	607	626	679	603	521	502	502	610	532
EUA spot, EUR/MT	85	84	92	93	94	95	96	82	95

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

See also Commodity Budget Outlook 2027, which our colleagues at Global Risk Management (GRM) published last week. In the report, GRM takes a closer look at the outlook for key commodities in 2027, including bunker fuel. The report also discusses the main risk factors. GRM is active in the energy and emissions paper market.

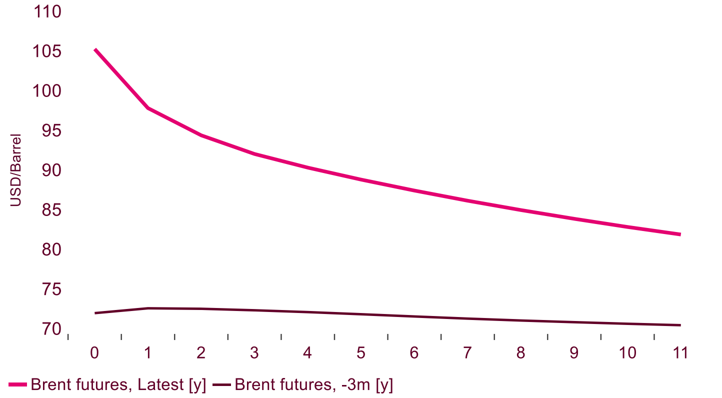
Overview Charts:

Brent oil



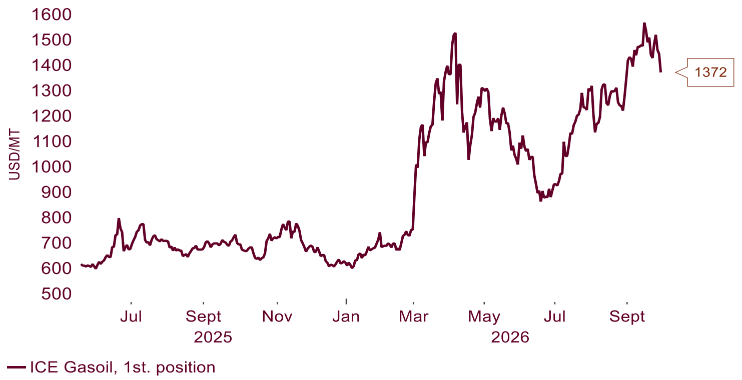
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

Brent forward curve, indicative prices



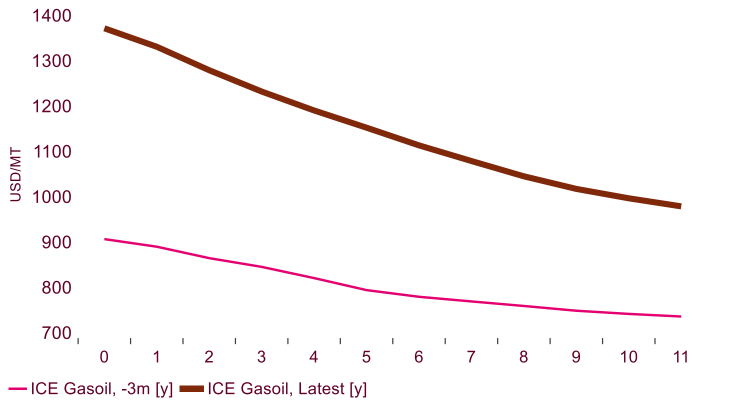
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

ICE Gasoil, 1. Pos.



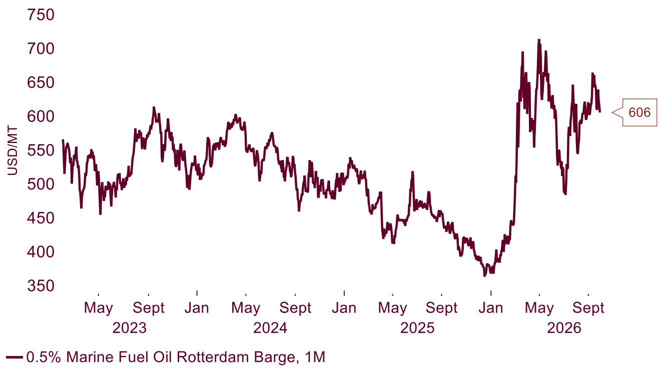
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

ICE Gasoil forward curve, indicative prices



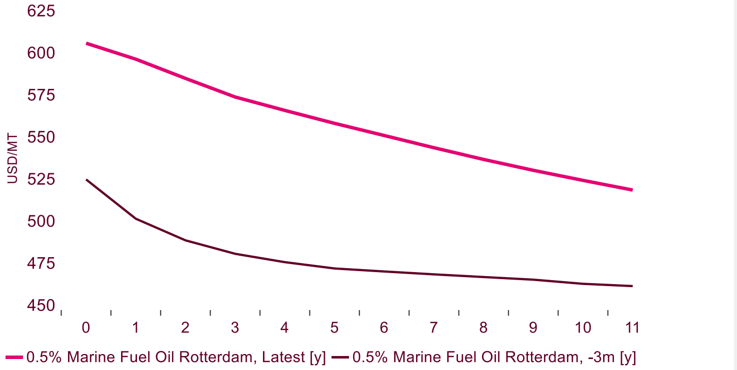
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

0.5% Marine Fuel Oil Rotterdam Barge, M1



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

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

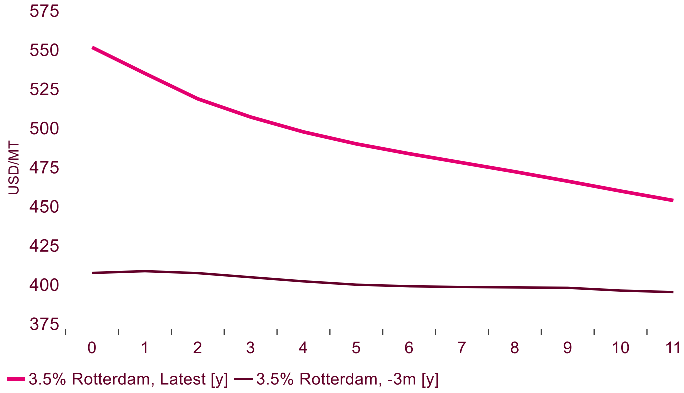


Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

Rotterdam 3.5% Barge

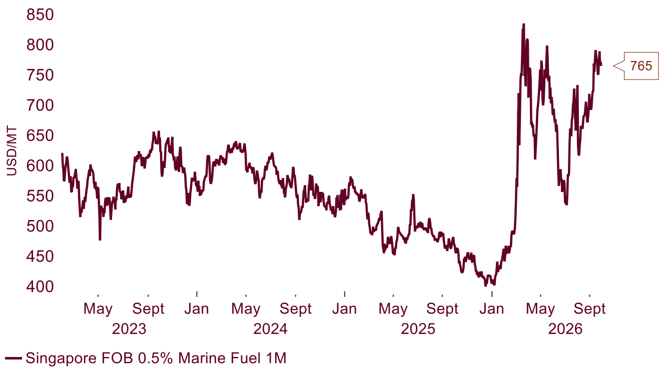
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

Rotterdam 3.5% Barge forward curve, indicative prices



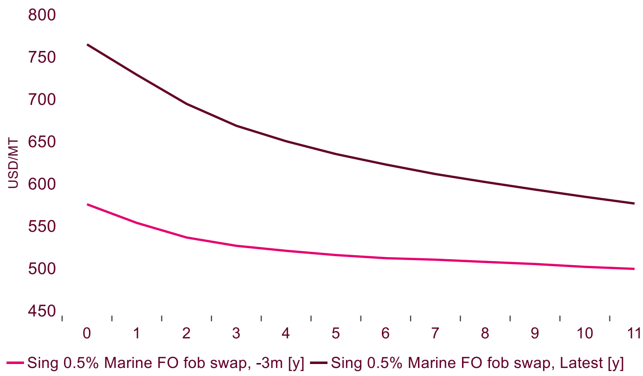
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

Singapore FOB 0.5% Marine Fuel Oil swap 1M



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

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

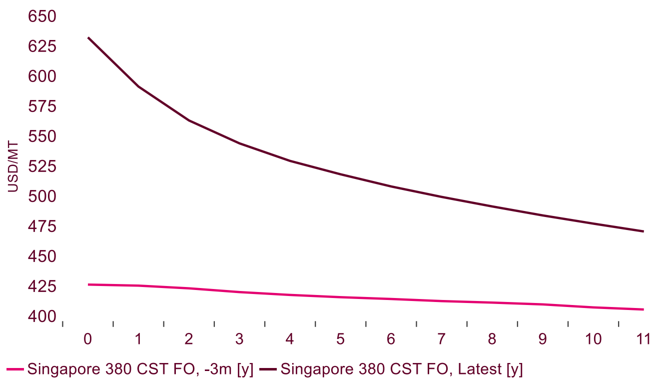


Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

3.5% Singapore 380 CST FO swap, M1

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

3.5% Singapore 380 CST FO Forward Curve, indicative prices



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM