Dan-Bunkering
Ride the Next Wave

Weekly Market Report

August 19, 2025

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

Bunker Port Brief

Singapore

	VLSFO	HSFO	MGO
Availability	■■■□□	■■■□□	■■■□□
Days of notice	11	10	6
Demand	■■■□□	■■■□□	■■■□□

The Asian LSFO market is expected to remain under pressure due to abundant arbitrage supply. A balance may be found as the market is starting to trade second-half September cargoes.

The Asian HSFO market remains supported by steady downstream bunker demand amid tight barging schedules. There are some concerns that decreasing utility demand after the peak summer months in the Middle East will add to regional supplies.

The Asian gasoil market may see prices soften as supply tightness eases in the region.

ARA

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

HSFO avails tightening on the prompt, particularly. Substantial drop in lsmgo discounts some 10-15usd to ICE FM than last week.

Fujairah

	VLSFO	HSFO	MGO
Availability	■■□□□	■■□□□	■■■□□
Days of notice	7	6	3
Demand	■■■□□	■■■□□	■■■□□

Due to barge capacity reducing in the UAE bunker market the over supply situation is not as heavy which has seen supplier schedules push out. Currently 7 days lead time on inq.

The availability could tighten further on the back of the UAE blockade of all Sudanese commodities and cargoes until further notice meaning reduced crude entering.

HSFO remains balanced with a lead time of 5-7 days.

Panama

	VLSFO	HSFO	MGO
Availability	■■■□□	■■■□□	■■■□□
Days of notice	4	4	4
Demand	■■■□□	■■□□□	■■■□□

Gibraltar

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

The supplier who phased out vlsfo for period, now has it back in stock for limited avails.

Malta

	VLSFO	HSFO	MGO
Availability	■■■□□	■□□□□	■■■■■
Days of notice	7	9	4
Demand	■■■□□	■□□□□	■■■■■

Port Louis

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

Tight HSFO avails with two suppliers only currently. VLSFO avails are OK.

Durban

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

Steady demand in the region, with a number of callers moving from Algoa Bay where poor weather has been noted last while.

Walvis Bay

	VLSFO	HSFO	MGO
Availability			
Days of notice	12,5	12,5	4,5
Demand			

Extremely tight avails in the market across all suppliers, shifting all across WAF as tight cargoes are fought over. A very difficult region at the moment to secure product, and higher premiums faced if avails managed to secure.

Oil market: Oil market reports point to a supply glut

In this issue of the Weekly Market Update, we discuss the outlook for supply and demand in Q4 and H1 2026. Last week, we received the three leading August oil market reports from the IEA, EIA, and OPEC. Notably, the first two pointed to a very bearish outlook for the oil price, whereas the OPEC report, unsurprisingly, was more upbeat. The bearish IEA and EIA reports serve as an essential counterbalance to geopolitical risks, which are an upside risk to oil prices.

One bullish and two bearish oil market reports

Last week brought the release of the weekly oil market reports from OPEC, the International Energy Agency (IEA), and the US Energy Information Administration (EIA).

Strongly bullish report from OPEC

Not surprisingly, the OPEC report painted a relatively optimistic picture of the market balance in the second half of this year and 2026. The cartel expects that the so-called "call-on-OPEC+" – meaning the amount of oil the group needs to supply to maintain stable inventories based on their forecast for global demand and non-OPEC+ supply – will be 43.7 mb/d in Q4. Considering that OPEC+ crude oil production is assumed at 42.4 mb/d in Q4, unchanged from current levels, this would indicate a further drawdown in inventories during the quarter.

OPEC+ also forecasts oil demand to grow by no less than 0.9 mb/d in Q4, while non-OPEC+ supply is expected to rise only modestly.

However, few take OPEC's figures at face value. The group has a clear interest in talking up both oil prices and demand. At some point, reality will likely catch up with the cartel. As demand growth fails to match their assumptions, it becomes increasingly likely that OPEC+ will again consider cutting production, reversing the latest production increases.

We therefore see a higher probability of production cuts in either Q4 2025 or Q1 2026 than OPEC+ starting to unwind the next layer of production cuts of 1.66 mb/d.

EIA expects that US oil production has peaked

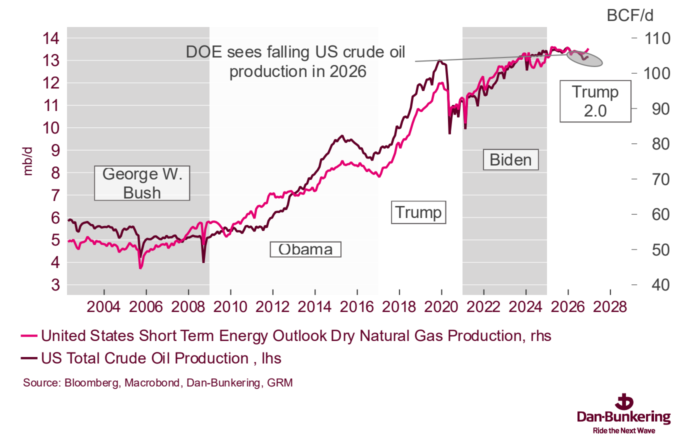
In contrast to OPEC, the EIA, precisely like the IEA, expects the oil market to experience an inventory build over the next six quarters, including the current one. However, the projected build is smaller than in the IEA's outlook.

The notable point in the EIA's monthly report was their expectation of a decline in US crude oil production in 2026. The EIA first expects that increases in well productivity will push US crude oil production to an all-time high of around 13.6 million b/d in December 2025.

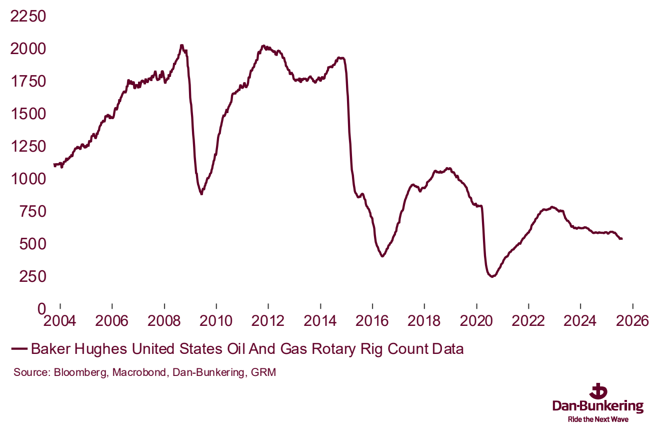
However, as crude oil prices fall, the EIA anticipates that US producers will accelerate the reduction in drilling and healthy completion activity that has already been ongoing through most of this year. They forecast US crude oil production to decline to 13.1 million b/d by Q4 2026. On an annual basis, crude oil production is now forecast to average 13.4 million b/d in 2025 and 13.3 million b/d in 2026.

Unlike the IEA and OPEC, the EIA also publishes oil price forecasts. These have been sharply revised down, with Brent now expected to trade at USD 58 in Q4 and average USD 51 in 2026 (previously USD 58). This is well below the forward curve.

US crude oil production forecast according to EIA, mb/d



US rig count, gas and oil, under pressure



Bearish IEA report – forecasts an oil glut

The IEA released its August oil report last Wednesday. The IEA expects a significant inventory build of almost 3 million barrels per day in 2026 – more than during the pandemic in 2020. Unlike the US Department of Energy (EIA), the IEA still expects growth in US oil production. Notably, the IEA forecast a 4.1 mb/d supply glut in Q1. For comparison, OPEC sees inventories dropping by 0.7 mb/d in the same quarter.

The agency writes in the report,

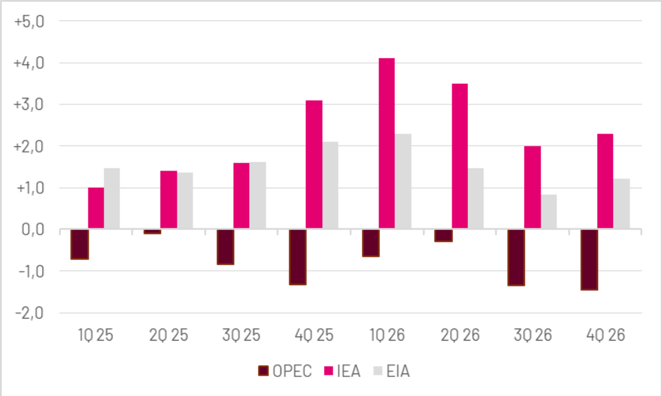
> "So far, the market has absorbed the additional barrels as refinery activity reached an all-time high and China boosted stock holdings. Global observed oil inventories built by 1.5 mb/d in 2Q25, with Chinese crude stocks rising by 900 kb/d and US gas liquids another 900 kb/d. Nonetheless, crude and product stocks in major pricing hubs remain well below historical averages.
>
> While oil market balances look ever more bloated as forecast supply far eclipses demand towards year-end and in 2026, additional sanctions on Russia and Iran may curb supplies from the world's third and fifth largest producers."

We believe the IEA has become too negative on demand growth at 0.7mb/d in 2025 and 2026. We also think the forecasts on non-OPEC+ supply are overly bearish.

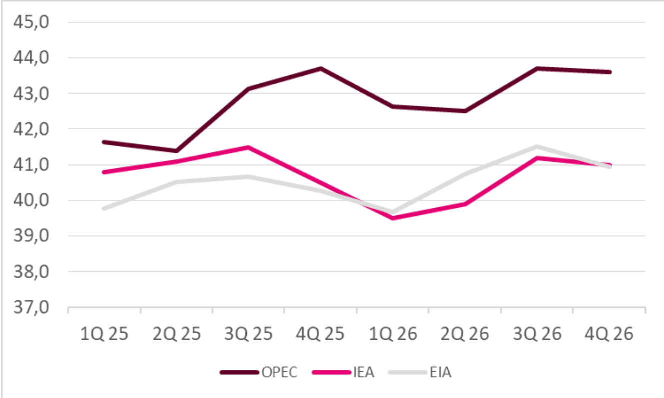
But little doubt that the IEA report underlined that the oil market most likely will be oversupplied over the coming quarters.

The charts below show the expected build in inventories according to OPEC, IEA and EIA. For OPEC, we use EIA forecasts for OPEC+ production in our OPEC forecast. The EIA assume stable OPEC+ production. The second chart shows the so-called call-on-OPEC+, which is, as discussed above, the amount of oil that the cartel has to supply to balance the market.

Crude oil inventory change according to IEA, EIA and OPEC, mb/d (August forecasts)



Call-on-OPEC+. Mb/s



Bearish global inventory data

Last week brought not only bearish oil market reports from the IEA and the EIA. Notably, the IEA report highlighted that the global inventory build may be underestimated. We typically monitor US oil inventories, which rose more than expected last week, increasing by 3 million barrels, yet remain about 5% below the five-year average for this time of year. It is often overlooked, however, that the world is more than just the US. According to the IEA, global oil inventories are now at their highest level in 46 months, at a time when global demand is normally at its seasonal peak.

Bearish activity data

Fresh data Friday morning pointed to further weakness in global growth. In China, retail sales, industrial production and fixed asset investment all fell short of expectations, suggesting that US tariffs are weighing more heavily on the economy than anticipated. Stockbuilding in China supported oil prices in the first half of the year, but if these purchases stall while growth slows, downward pressure on prices could intensify.

In the US, core producer prices in July – excluding food and energy – rose 0.9% on the month and 3.7% year on year. In contrast to the previous week's softer inflation readings, these figures came in well above expectations, signalling that high tariffs are beginning to push up price levels. The next step may be for companies to pass these higher input costs on to consumers.

Markets still expect the Federal Reserve to cut rates at least twice this year, but persistently high inflation data could make such moves more challenging.

Conclusion: Risks are skewed to the downside for oil

All in all, we see a growing risk that the oil market will increasingly focus on the weaker fundamentals. The planned meeting between Putin and Zelensky will determine whether sanctions and geopolitics will remain supportive factors for the market in Q4 and 2026, or if market attention will shift entirely to fundamentals. Our forecasts are based on the assumption that US and European sanctions will stay in place, and that a peace agreement is not imminent.

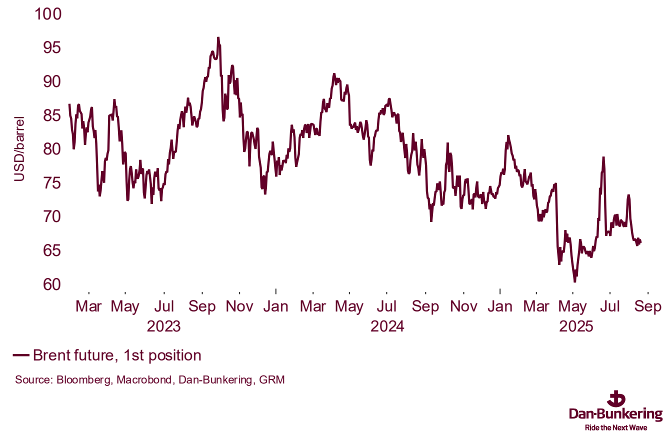
Price forecast

	Spot	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026	avg. 2025	avg 2026
Brent, USD/bbl	66,1	67	66	66	67	70	69	69	67
ICE Gasoil, USD/MT	655	682	663	641	656	685	663	671	676
HSFO (1M 3.5% Rotterdam Barge), USD/MT	385	403	400	394	400	419	413	416	408
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	447	460	457	457	464	483	476	471	466

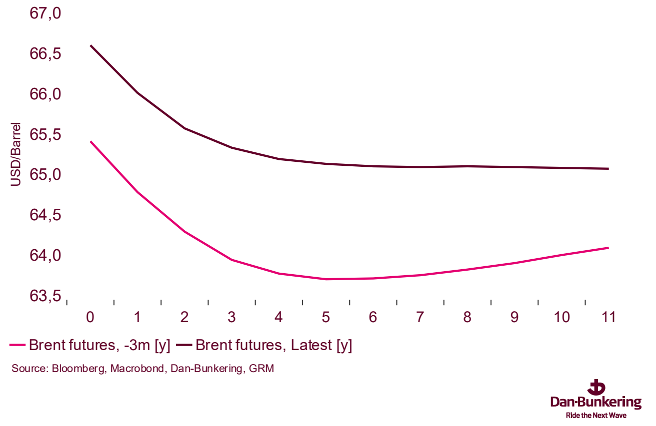
Source: Dan-Bunkering, indicative spot-prices based on Bloomberg 1M fair-value

Overview Charts:

Brent oil

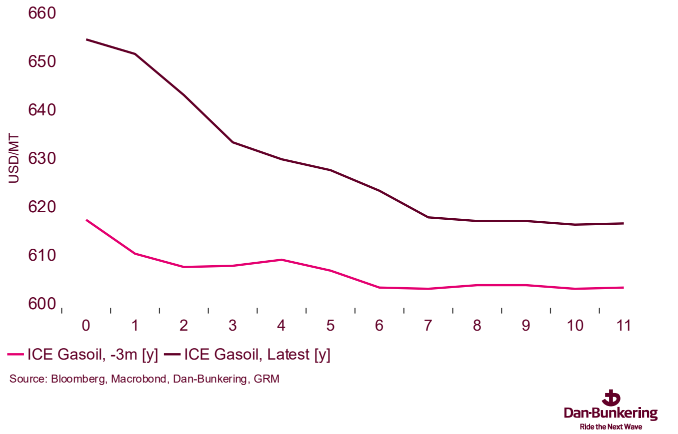


Brent forward curve, indicative prices

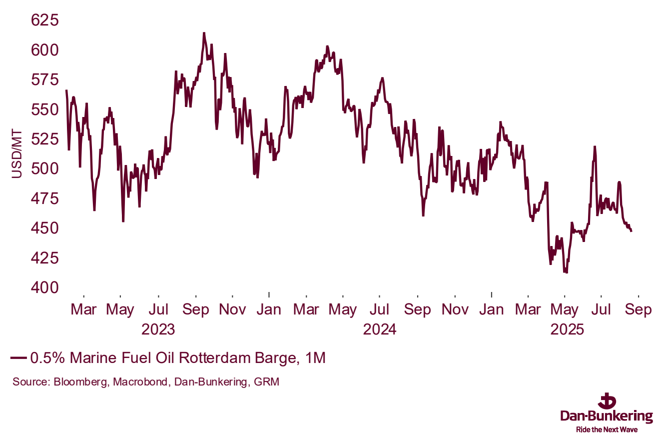


ICE Gasoil

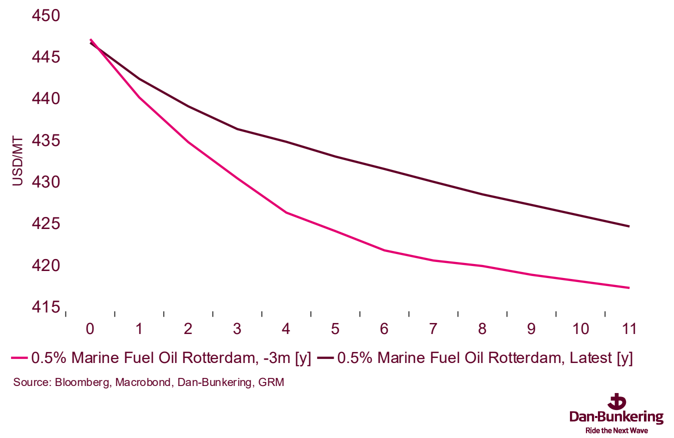
ICE Gasoil forward curve, indicative prices



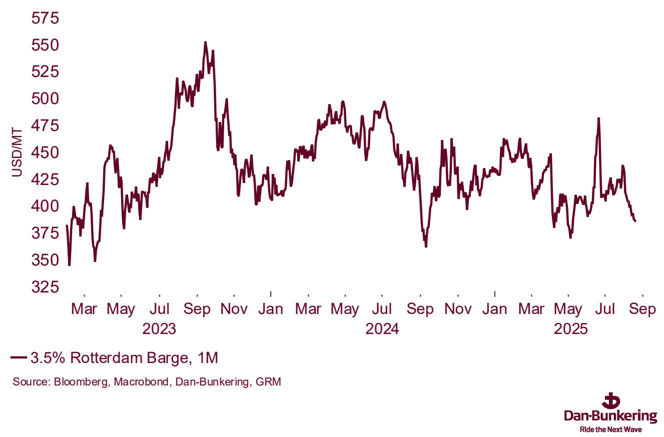
0.5% Marine Fuel Oil Rotterdam Barge, M1



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



Rotterdam 3.5% Barge



Rotterdam 3.5% Barge forward curve, indicative prices