

# Weekly Market Report







May 5, 2026









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

# Bunker Port Brief

## Singapore







	VLSFO	HSFO	MGO
Availability			
Days of notice	10	10	7
Demand			

## New York

	VLSFO	HSFO	MGO
Availability			
Days of notice	5	8	2
Demand			







Heavy volatility with regards to price continues. Seeing strong demand from liner segment. Distillate avails have been weakening up and down USEC.

## Panama

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







Prices still seem high, although Crude is down.

## Durban

	VLSFO	HSFO	MGO
Availability			
Days of notice	7-10	6-9	8-12
Demand			







Tight gasoil avails remain as focus is toward the automotive industry. VLSFO avails are improving as demand has remained same but replenishments are landing. Overall however the port is busy with backlogs due to port closures thanks to the weather. This is expected to be continuous for the coming winter months.

## Port Louis

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

Demand is steady and avails currently are OK in PL; with the ongoing ME situation, demand continues to be on a better level than it was prior the war. With winter in South Africa / Port Elizabeth, this is expected to continue.

## Walvis Bay

	VLSFO	HSFO	MGO
Availability			
Days of notice	6-9	14-18	6-9
Demand			

Demand remains steady in the region, with avails improving as market appears to have normalised since the March ME situation began. WAF cargoes flowing down keep avails steady, with demand same.

In this issue of the Weekly Market Report, we discuss recent developments in the oil market and this week's escalation in the crisis in the Middle East.

Editorial deadline: Tuesday May 5, 14.00 CET

## Oil market update: Iran sends a clear signal that the strait remains closed

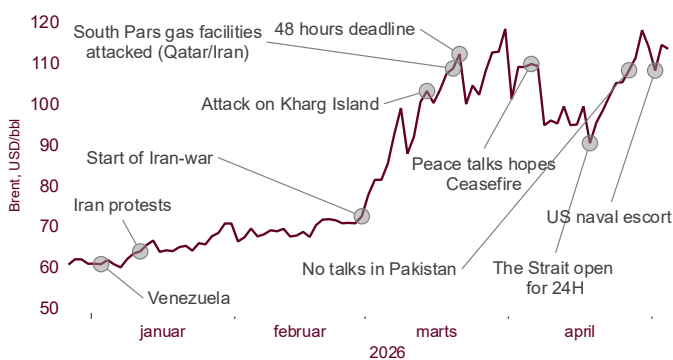
It was quite a dramatic day in the oil market yesterday after Trump announced late Sunday that the US would help stranded ships leave the Persian Gulf and pass through the Strait of Hormuz. Trump wrote that this was a humanitarian gesture on behalf of the US, a number of Middle Eastern countries and, not least, Iran.

However, yesterday's events clearly showed that Iran did not agree. It fired on the US naval vessels that passed through the Strait. However, two US-flagged commercial vessels managed to pass through the Strait. Iran claimed that it had hit the US military vessels, which the US denied. However, it has confirmed the attack. More surprisingly, Iran chose to attack a South Korean vessel in the Strait, and it launched cruise missiles at the UAE, igniting a major fire in the port city of Fujairah, from where the UAE, among other things, exports oil.

There is no doubt that, with yesterday's escalation, Iran is sending a clear signal to the US and, not least, the maritime industry that the Strait of Hormuz is not safe and remains hermetically closed. The attack on the UAE should probably be seen as a signal to both the UAE and the US that Iran is not afraid of escalating the war and has the ability to do so.

Iran also expanded its maritime control zone yesterday. As a result, a number of vessels moved further away from the Strait of Hormuz.

### Brent higher on new escalation



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

### New Iranian Maritime Control Zone (source: Tasnim)



With oil prices rising, Trump is unlikely to have much appetite for escalating the war. Nor did Trump, as has otherwise been the norm, mention the possibility of bombing Iran's power plants and similar targets when he commented on the situation in a tweet. Instead, he referred to

today's press briefing with War Secretary Hegseth. Trump also declined in an interview yesterday to confirm whether the Iranian attacks constitute a breach of the ceasefire.

The oil market reacted by briefly sending Brent above USD 115 yesterday evening. Today, the price is slightly lower at USD 112.6 after a quiet night.

### **OPEC+ meeting – no market impact**

On Sunday, the seven key members of OPEC+ held an online meeting to discuss their quotas. As expected, they decided – following the extraordinary cuts implemented during the pandemic – to increase output by 188,000 barrels per day in June.

However, this is largely only meaningful on paper, as the Gulf countries remain far from meeting their quotas due to the closure of the Strait of Hormuz.

At the same time, once the Strait of Hormuz reopens, all member countries are expected to maximise production for a period until the market situation normalises. Several countries may struggle to return to pre-war production levels, as oil fields can be damaged by prolonged shutdowns.

The elephant in the room is clearly the UAE, following Monday's announcement that it will leave the OPEC and OPEC+ cartel. In fact, the UAE was not mentioned in the press release at all. The "business as usual" approach may imply that the remaining countries are signalling that nothing has changed for the cartel.

### **The market is increasingly pricing a long conflict**

Over the last week, the scenario we have discussed over the last two weeks – that the war, or rather the closure of the Strait of Hormuz, will be prolonged – has now been increasingly priced into the oil market. Last week, the Brent front-month contract briefly traded above USD 125. Apart from a few days in 2022 following Russia's invasion of Ukraine, this is the highest level in 15 years.

However, this is related to the June contract, which expired during the week, and the closing of short positions at the last minute may have pushed prices unusually high. That said, the July contract has also risen significantly, now trading at USD 112.6 following yesterday's escalation. Dated Brent is trading at around USD 120.

From a market perspective, a picture is emerging of an oil market that no longer expects a quick reopening of the Strait of Hormuz. This continues to point to upside risk for oil prices in the coming weeks.

### **Inventory situation to tighten now**

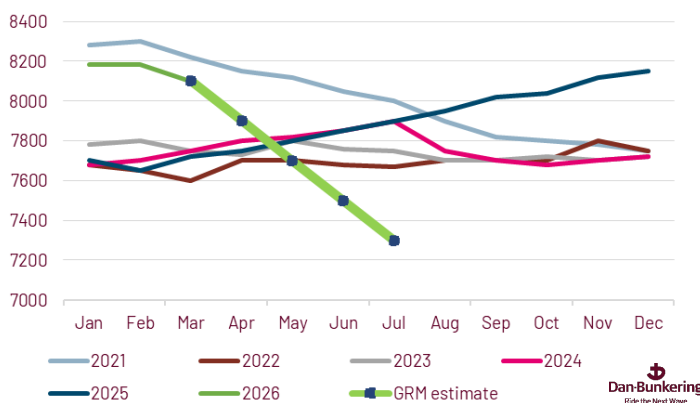
Fatih Birol, the head of the IEA, has described the situation as "the biggest energy crisis in history." In that respect, the current crude oil price may actually appear relatively modest, not least when adjusted for inflation.

One reason the market has been able to cope with the crisis so far may be that the world entered it with relatively healthy global inventories following the oversupply in 2024 and 2025. When Russia invaded Ukraine in 2022, the actual disruption was limited, but unlike today, global stocks were significantly lower at the time.

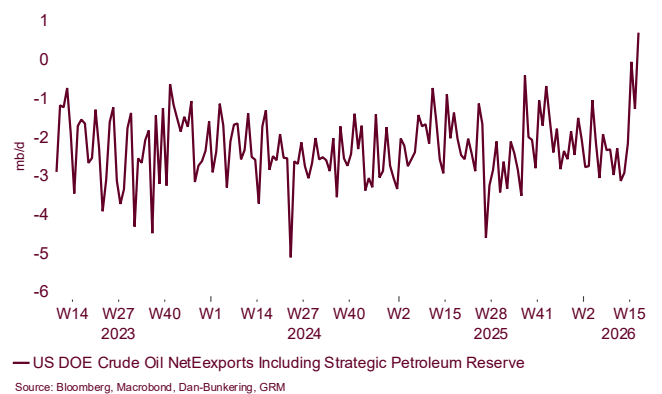
However, even if we assume demand destruction is underway, it will be difficult to avoid a rapid drawdown of global oil inventories in May and June if the Strait of Hormuz does not reopen. Importantly, the “easy oil” – for example, oil at sea – is now more or less gone. We are already seeing this drawdown in product markets.

The chart on the left shows global oil inventories as defined by the IEA, along with our assumptions. We have assumed a conservative decline of 200 million barrels per month. It should also be noted that an increasing volume of oil is trapped inside the Persian Gulf and is therefore not available to the global market. This implies rising stress in the system, with some refineries likely finding it increasingly difficult to secure crude. The chart to the right shows how the market has benefitted from a jump in US crude oil exports. But the US crude oil inventories will also soon be exhausted at the current export level.

**A steep drop in global oil inventories over the coming months if the Strait of Hormuz stays close (source: IEA)**



**Strong surge in US crude oil exports, mb/d**



From a market perspective, a picture is emerging of an oil market that no longer expects a quick reopening of the Strait of Hormuz. This continues to point to upside risk for oil prices in the coming days.

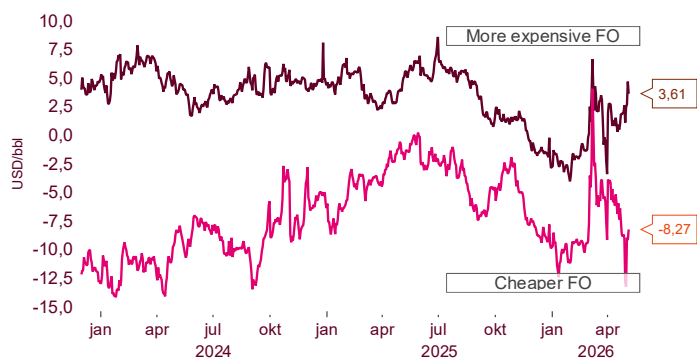
**The market for HSFO market has almost normalized, but VLSFO more expensive**

We have seen a further normalisation in the paper market for bunker fuel in key ports Singapore and Rotterdam. Notably, the paper market for HSFO is now much calmer, and cracks against Brent are back to levels before the war in Rotterdam and close in Singapore. The market supply of HSFO has improved significantly, and demand remains lackluster.

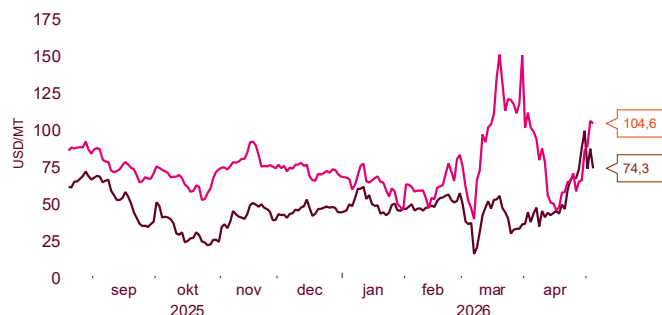
VLSFO cracks, on the other hand, have moved higher recently. VLSFO is a blending product, implying that more expensive distillates tend to hamper supply. This is exactly what we are seeing now.

The diverging trends of HSFO becoming cheaper vs Brent and the opposite for VLSFO mean that we have seen a large spike in the HI5 (scrubber) spread.

### HSFO and VLSFO cracks are diverging



### Pushing HI5 higher in both Rotterdam and Singapore



— 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, Dan-Bunkering, GRM

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



Below is our forecast for oil, bunker fuel, and EUAs, updated as of May 5, 2026.

	Spot	Q2 2026	Q3 2026	Q4 2026	Q1 2027	Q2 2027	avg. 2026	avg. 2027
<b>Brent, USD/bbl</b>	112,5	100	86	81	77	75	86	76
<b>ICE Gasoil, USD/MT</b>	1306	1157	1013	901	834	820	987	827
<b>HSFO (1M 3.5% Rotterdam Barge), USD/MT</b>	625	599	508	476	457	451	511	454
<b>VLSFO (1M 0.5% Rotterdam Barge), USD/MT</b>	697	656	565	533	514	508	565	511
<b>EUA spot, EUR/MT</b>	73	76	80	95	96	96	81	96

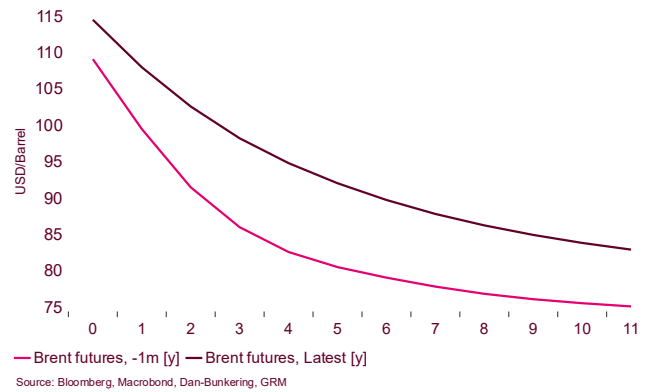
Source: Dan-Bunkering, indicative spot-prices based on Bloomberg 1M fair-value

**Overview Charts:**

**Brent oil**



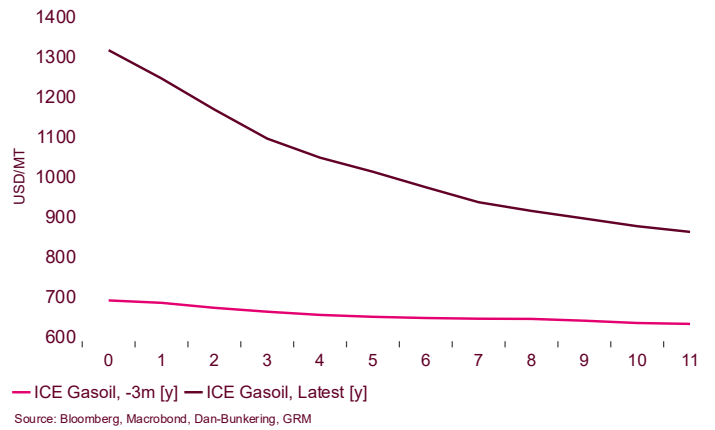
**Brent forward curve, indicative prices**



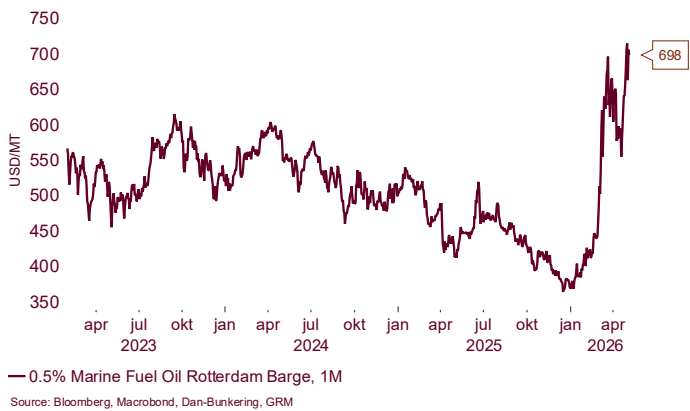
**ICE Gasoil, 1. Pos.**



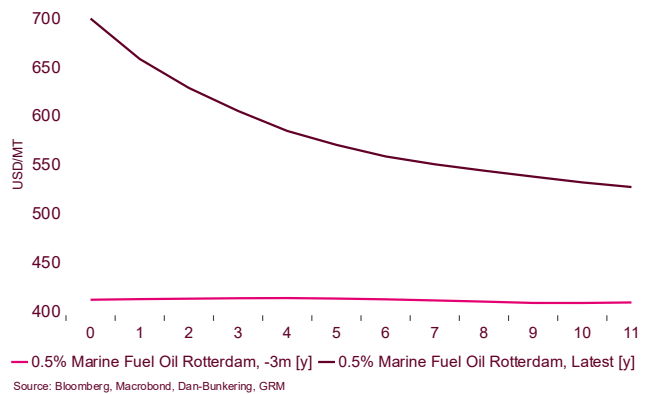
**ICE Gasoil forward curve, indicative prices**



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



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



### Rotterdam 3.5% Barge

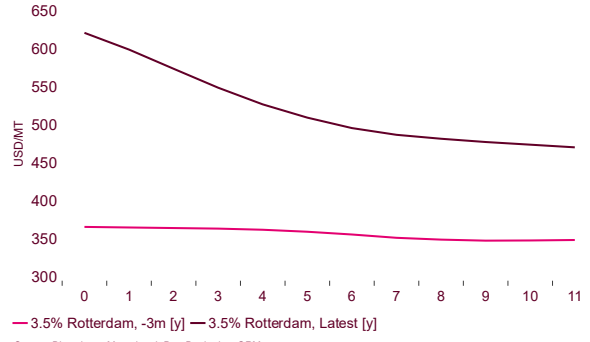


— 3.5% Rotterdam Barge, 1M

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



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



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

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



### Singapore 380 CST FO 1M

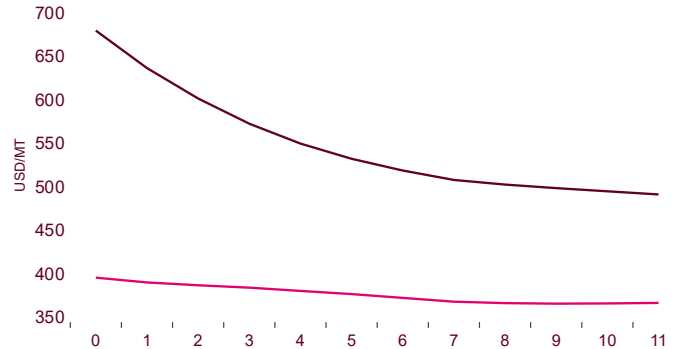


— Singapore 380 CST FO 1M

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



### Singapore 380 CST FO forward curve, indicative prices



— Singapore 380 CST FO, -3m [y] — Singapore 380 CST FO, Latest [y]

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

