Dan-Bunkering
Ride the Next Wave

Weekly Market Report

April 29, 2025

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

Dan·Bunkering
Ride the Next Wave

Bunker Port Brief

Singapore

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

The Asian LSFO market is forecast to see gains through May 2nd, supported by steady downstream demand and reduced arbitrage inflows from Western markets in May.

The Asian HSFO market is expected to continue facing an oversupply in the short term. This may likely last until demand related to seasonal power generation increases.

The Asian gasoil market may trade higher through May 2nd, driven by increased demand from the industrial and agricultural sectors. At the same time, supply from the Middle East and India is expected to be lower due to refineries undergoing turnaround.

ARA

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

We do expect HSFO to become tighter in the upcoming period.

Fujairah

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

While demand has shown modest improvement, it continues to fall short of expectations. Lead times for barge slots remain short, and the market remains highly competitive, with suppliers fiercely competing to turn around their barges.

Biofuel demand remains slow, there is good barge avails for B24 UCOME product in UAE ports currently.

Houston

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

Port is under normal operating conditions. Prompt HSFO avails are still a bit tight. Deliveries Offshore Galveston and at Bolivar Roads anchorage are subject to intermittent delays due to winds and sea swells. Vessels on very tight schedules or requiring bunkers immediately on arrival should exercise caution when fixing for these locations.

New York

	VLSFO	HSFO	MGO
Availability	●●●●●	●●●○○	●●●●●
Days of notice	2	5	1
Demand	●●●○○	●●●●○	●○○○○

Demand from liner segment waning on tariff issue. However non affected liners the demand is big for HSFO and VLSFO. Spot demand muted. Distillate fundamentals strengthening a bit.

Panama

	VLSFO	HSFO	MGO
Availability	●●●○○	●●●○○	●●●○○
Days of notice	3-6	6-8	3-5
Demand	●●●○○	●●●○○	●●●○○

Gibraltar

	VLSFO	HSFO	MGO
Availability	●●●●●	●●●●●	●●●●●
Days of notice	10	10	7
Demand	●●●●○	●●●○○	●●●●●

Demand is high, prompt supplies not possible, weather is not our ally.

Malta

	VLSFO	HSFO	MGO
Availability			
Days of notice	10	10	7
Demand			

Premiums have moved higher.

Port Louis

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

Another quiet weekend in the island nation, with tepid demand. Some potential bad weather may occur in the coming days, with high winds expected.

Durban

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

Demand remains flat with suppliers fighting over the few scraps available. Richards Bay demand is higher with cargo vessels in the port taking top ups for their next voyage, but Durban appears to be the little sister for the moment. A new supplier has ventured into the market, already putting pressure on the low demand.

Walvis Bay

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

The more active of the local African regions, seeing more volume than South Africa and Mauritius. Please note as we enter the winter months, suppliers may shift vessels to anchorage, which would incur additional calling costs.

First signs of stabilsation in the oil market…but uncertainty remains high

Oil prices have been in for a real Trump roller-coaster here in April. Brent traded briefly above USD 75 when Trump entered the Rose Garden outside the White House on "Liberation Day" April 2nd. However, as the infamous poster with the high tariffs was presented and China started to retaliate, the bullish sentiment turned around, and we saw one of the biggest two-day drops in prices for several years.

However, as we argue below, we are starting to see signs of stabilisation in the oil market and other markets. Brent is now trading just above USD 65.

The apparent stabilisation of the oil market also suggests that buyers should consider utilising today's price levels and curves, which for many products are still in backwardation (lower forward prices), to increase their hedging.

However, the trees do grow into the sky for oil prices. High volatility is still expected to prevail in the oil market over the coming months.

In today's issue, we discuss some of the stabilising factors and some of the factors that still suggest lower oil prices. **We also provide a quick overview of the latest marine fuel oil market developments, where the Mediterranean Sulphur Emission Control Area, SECA, is introduced May 1.**

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 slowly return to the USD 70 level over the coing three to four months.

Hence, in today's issue, we take a closer look at,

- Factors that have supported a more stable oil market
- What could trigger a new move lower
- Marine fuel update with focus on the Med and the Sulphur Emission Control Area

1. Factors that have supported a more stable oil market

Brent is trading just above USD 65 the last two weeks – a sign that we may be seeing the first signs of stabilisation in the oil market.

Several factors have contributed to the stabilisation in the market.

Financial markets have calmed somewhat, with equities ticking up and long-term yields pulling back slightly. Expectations are also rising that the Fed will cut rates in June, although this is based on softer US macro data.

On the political front, Trump has reportedly backed off his attacks on the Fed Chair, reportedly under pressure from Lutnick and Bessent, and is even signalling lower tariffs towards China.

The Chinese government is also considering suspending its 125% tariff on certain US import goods, such as medicine and industrial chemicals. No official negotiations between China and the US have been confirmed, and China has rejected Trump's comments that talks are ongoing.

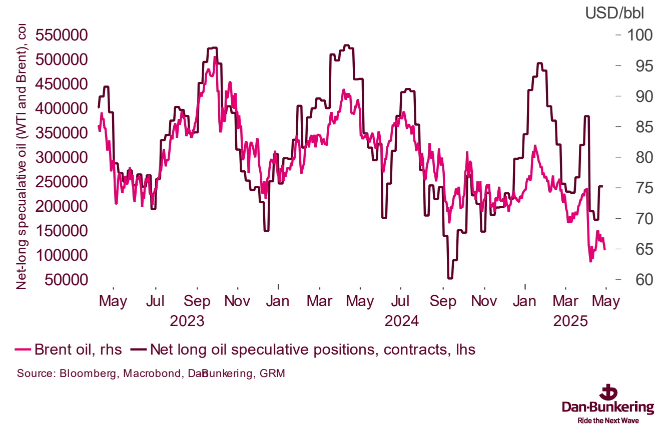
Speculative dynamics have also shifted. The sharp drop after "Liberation Day" on 2 April was fueled by a market-positioned speculative long, which was then closed, adding to the sell-off. Speculators now appear more neutrally positioned.

The weaker USD has further supported prices by making oil more affordable in other currencies.

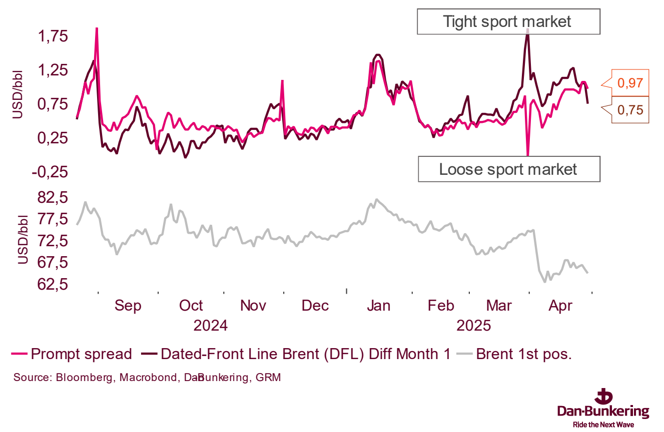
Physically, the market remains relatively tight. Backwardation at the front-end (prompt-spread and DFL) of the curve signals strength in the physical market, and the downside seems limited by the current price level being below breakeven for many new US drilling projects.

Finally, demand is also expected to firm seasonally in Q2, which could lend additional support.

Speculators have slashed net-long positions in the oil market, implying a more neutral market positioning



10Y US treasury bond yields are rising



2. Factors that potentially could trigger a new move lower in prices

There is speculation that OPEC+ will again add more oil than expected in June. On May 5, 2025, eight key OPEC+ member countries, including Saudi Arabia, Russia, Kazakhstan, and Iraq, will convene to determine June oil production levels.

This meeting follows their April decision to increase output by 411,000 barrels per day in May, a move that exceeded initial plans to gradually unwind previous production cuts.

Tensions within the alliance flared again last week after Kazakhstan openly stated that "national interests" would take precedence over OPEC+ quota compliance.

The country's oil minister emphasised that international oil majors handle a large share of Kazakhstan's production — companies the government cannot legally force to reduce output. Kazakhstan has consistently failed to meet its targets and has offered so-called compensation cuts over the past year, but there's little sign these are being implemented.

The May production increase was three times larger than initially planned, a move widely interpreted as an attempt to pressure overproducing members, particularly Kazakhstan and Iraq. Now, several members have leaked to the media that a similar acceleration in output is being considered for June.

These developments underscore how fragile the OPEC+ alliance has become. The bloc's efforts to enforce discipline have largely failed, and the power struggle, especially between Saudi Arabia and Kazakhstan, is escalating. The situation now bears a striking resemblance to the lead-up to Angola's exit in 2023. It would no longer be surprising if Kazakhstan were next to walk away.

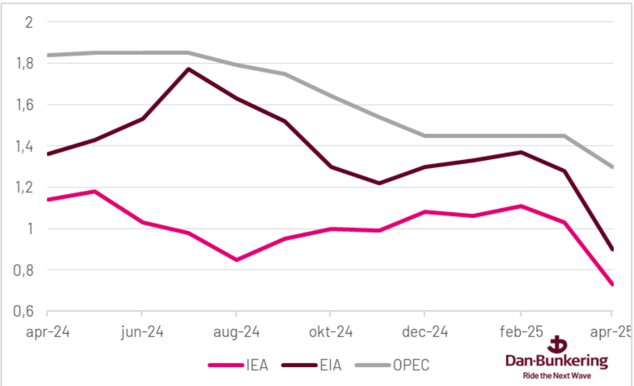
On the geopolitical front, a possible peace deal between Ukraine and Russia, combined with US signals about easing sanctions, could pave the way for more Russian oil, even within the framework of OPEC+ membership.

We have seen the first data indicating that the risk of a US recession is rising sharply. The Philly Fed Business Outlook Survey showed a significant drop in new orders and overall activity and a decline in industrial employment. Models such as the Atlanta Fed's GDP tracker, which is based on real-time data, now point to negative US growth in the first quarter. You simply cannot shut down all trade between the US and China without the US seeing higher inflation and slower growth.

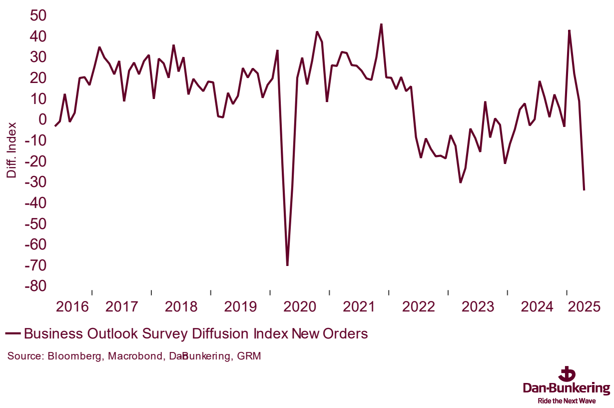
The IEA, EIA, and OPEC released updated oil demand forecasts mid April. All three revised their expectations downward. The IEA and EIA now expect oil demand growth of less than 1 million barrels per day in 2025, while OPEC expects growth of 1.3 million barrels per day.

Finally, there may be progress in talks between Iran and the US, which could delay the sanctions the market currently anticipates, and possibly even lead to some easing of existing sanctions.

IEA, EIA and OPEC oil demand forecasts for 2025 at different times, mb/d



Philly Fed new order index in free fall, index



3. Update on the marine fuel oil market – Med to become a Sulphur Emission Control Area

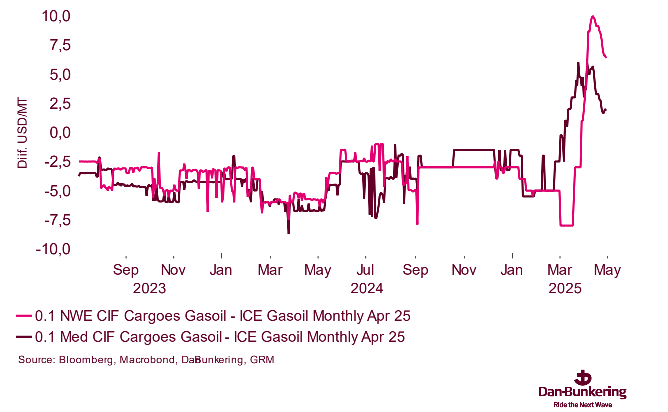
Starting 1 May 2025, the Mediterranean Sea will officially become a Sulphur Emission Control Area (SECA) under MARPOL Annexe VI. This designation mandates that ships operating within the region must use marine fuels with a Sulphur content not exceeding 0.10%, a significant reduction from the current global limit of 0.50%.

Alternatively, vessels can employ scrubbers to achieve equivalent emission reductions.

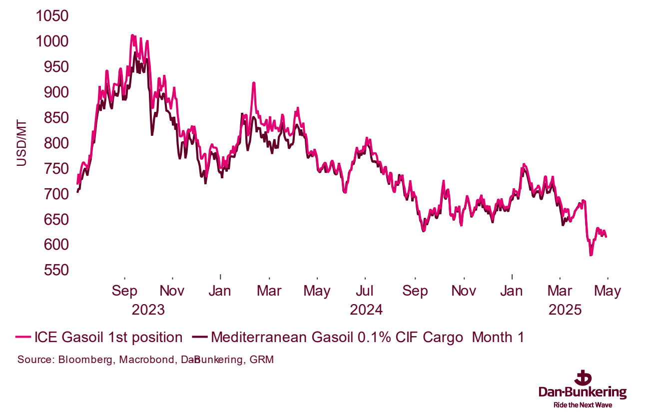
The upcoming SECA zone will, all else being equal, mean less demand for 0.5% VLSFO and more demand for 0.1% MGO, notably in the Med. The incentive to install scrubbers will also boost demand for HSFO.

The SECA zone is visible in the paper market for gas oil. We have seen that 0.1% Med CIF Cargo Gasoil has traded with a positive diff to the benchmark ICE Gasoil. The same has the 0.1% gas oil (CIF NWE Cargo). Below we are using the April 2025 swap. We expect this diff to normalize over the coming months.

Diffs vs ICE Gasoil, April swap, USD/MT

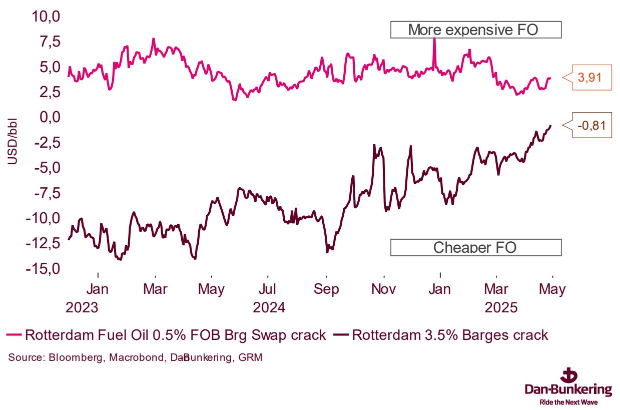


ICE gas oil and 0.1% Med CIF Cargo gasoil, flat price, USD/MT

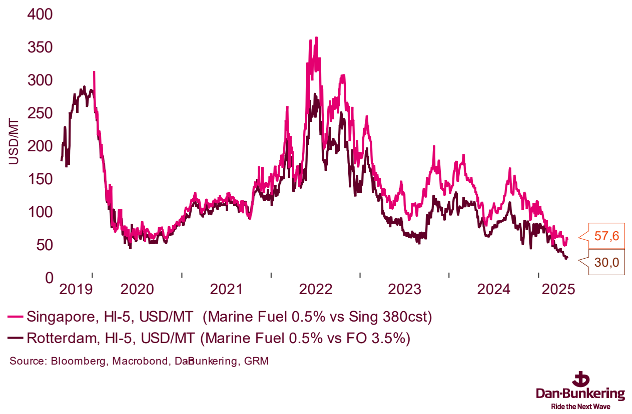


The SECA zone also impacts the marine fuel oil market. We continue to see strong support for HSFO ahead of the summer peak-demand season, and VLSFO remain under pressure. The charts below show the cracks for HSFO and VLSFO in Rotterdam and the HI-5/scrubber spread in Rotterdam and Singapore.

Fuel oil cracks vs Brent, Rotterdam USD/bbl



Hi5 (scrubber) spread in Rotterdam and Singapore 1M, USD/MT



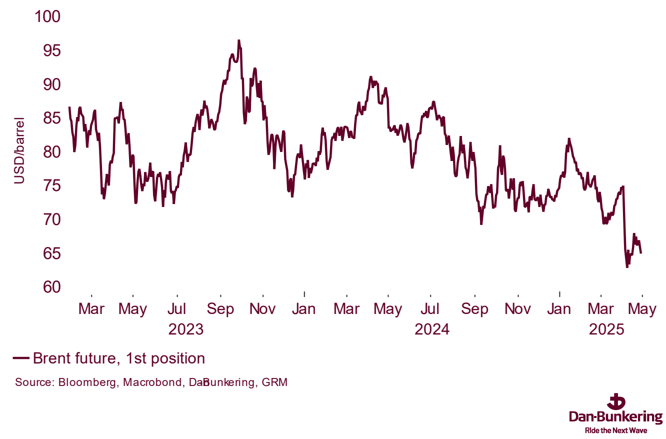
Price forecast

	Spot	Q2 2025	Q3 2025	Q4 2025	avg. 2025	avg 2026
Brent, USD/bbl	64,8	69	70	70	71	69
ICE Gasoil, USD/MT	615	668	693	678	689	664
HSFO (1M 3.5% Rotterdam Barge), USD/MT	398	404	406	400	416	392
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	430	455	464	464	472	454

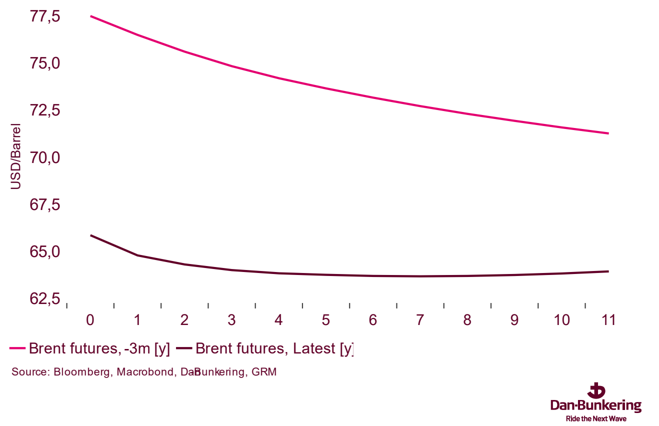
Source: Dan-Bunkering, indicative spot-prices based on Bloomberg 1M fair-value

Overview Charts:

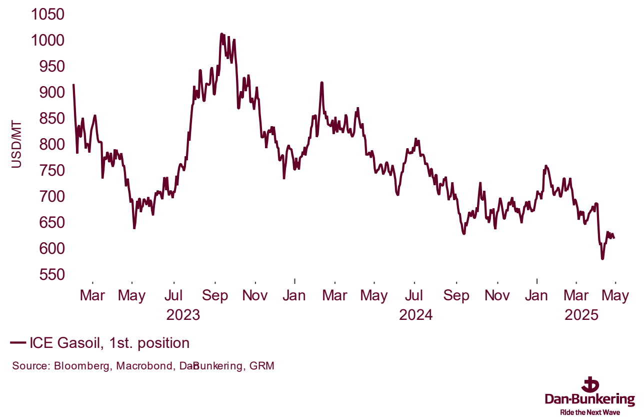
Brent oil



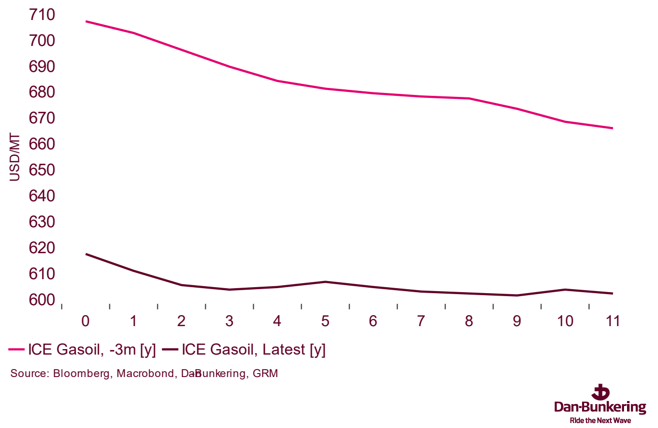
Brent forward curve, indicative prices



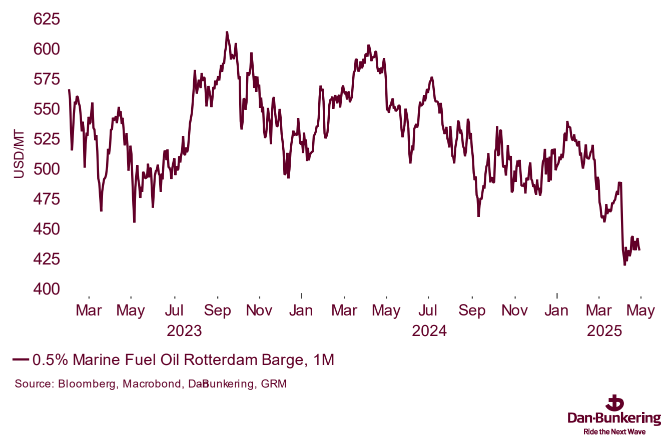
ICE Gasoil



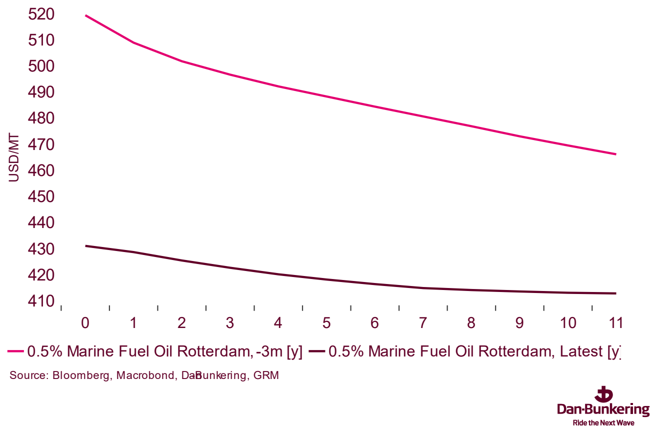
ICE Gasoil forward curve, indicative prices



0.5% Marine Fuel Oil Rotterdam Barge, M1



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



Rotterdam 3.5% Barge

Source: Bloomberg, Macrobond, DanBunkering, GRM

Rotterdam 3.5% Barge forward curve, indicative prices

Source: Bloomberg, Macrobond, DanBunkering, GRM