

Weekly Market Report

October 20, 2026

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

Bunker Port Brief

Singapore

	VLSFO	HSFO	MGO
Availability			
Days of notice	12	13	8
Demand			

ARA

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

Rumours of Pilot strikes in the Antwerp area that can affect vessels calling at this port.

New York

	VLSFO	HSFO	MGO
Availability			
Days of notice	5	5	2
Demand			

Demand into late Q4 is strengthening. Seeing contract lifters attempt to overlift their max, with premiums getting higher for bbls over max. Distillate availability into heating and agro season.

Fujairah

	VLSFO	HSFO	MGO
Availability			
Days of notice	5	7	5
Demand			

Demand has been steady since last week, with the usual regular lifters in the Middle East doing their cargo shuttle runs in the region. Even though a lot of vessels are calling FUJ for loading, a relatively small portion of them is stopping for bunkers as per the trend observed over the last few months.

Red Sea has been relatively slow over the last few weeks due to the tense local situation. India volume has substantially increased especially in the main transshipment/key ports on the West Coast.

VLSFO and HSFO premiums have dropped a bit since the previous week. MGO is stable even though there is a brief tightness of product in the market and scarce demand.

Panama

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

Anything before the lead time can be checked case by case.

Tokyo

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

No availability of products in Tokyo Bay (Tokyo, Yokohama, Chiba, Kawasaki, etc.). Suppliers expect no product availability in November.

Zhoushan

	VLSFO	HSFO	MGO
Availability			
Days of notice	8	9	4
Demand			

HSFO cargo may only arrive after 24/25 Oct; premium will remain.

LSFO cargo still looks tight; premium will remain too.

LSMGO premium may drop by 5-/7 usd/mt; cargo avails are good.

Weather looks bad for 21- 25 Oct; barge will be tight after 25 Oct; premium for prompt delivery will be much higher.

Seoul

	VLSFO	HSFO	MGO
Availability			
Days of notice	4-10	12-14	4-10
Demand			

Tight availability for VLSFO & HSFO. HSFO only offer case by case. 2 out of 4 suppliers out of October VLSFO stock already.

Hong Kong

	VLSFO	HSFO	MGO
Availability			
Days of notice	3-5	6-8	2-4
Demand			

Avails for VLSFO are back to normal, although suppliers continue to offer selectively for enquiries, generally targeting smaller quantities (< 300 – 500 MT). Expect a premium for bigger quantities (> 1,000 MT).

Avails for HSFO continue to be very tight, with the EDD on / around 26 October for most suppliers. Some suppliers may be able to offer prompt dates for smaller quantities (< 500 MT) at very high premiums.

Durban

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

Very tight avails with high premiums in Durban; 2 x suppliers have a barge in drydock next week, thus depleting supply options ahead for the foreseeable.

Port Louis

	VLSFO	HSFO	MGO
Availability			
Days of notice	8-12	8-14	6-9
Demand			

Demand is tepid this week; suppliers have avails, with one desperate to shift volume ahead of their new replenishment, which is coming in next week or two.

Walvis Bay

	VLSFO	HSFO	MGO
Availability	    	    	    
Days of notice	8-12	14-18	5-10
Demand	    	    	    

Demand steady in Walvis; however, nothing untoward or different last week. Premiums remain as per current historical, and vessels still see best value levels in the region compared to alternate ports.

Skaw

	VLSFO	HSFO	MGO
Availability	    	    	    
Days of notice	6	7	5
Demand	    	    	    

Almost no availability until late weekend owing to a very busy schedule.

Gibraltar

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

Malta

	VLSFO	HSFO	MGO
Availability	    	    	    
Days of notice	4	n/a	4
Demand	    	    	    

Demand really weak since beginning of the week. At the moment, no HSFO is available in Malta, with the only option from Vitol - EDD beginning of November.

In this issue of the Weekly Market Report, we have four sections: crude oil and geopolitics, diesel and gasoil (MGO), bunker fuel and the EUA market.

Note: Deadline for text and charts: Sunday, Oct 18th.

Crude oil and geopolitics: Physical premiums ease, but shipping risks threaten a fragile supply recovery

Brent futures rose 4.9% last week, closing at USD 109.86/bbl on Friday, their highest level since May. The rally came as attacks on shipping and Saudi infrastructure raised fresh concerns about Middle Eastern supplies. However, the physical market sent a different signal. Dated Brent fell sharply to USD 116.6/bbl on Friday, narrowing the gap with futures considerably. Tanker rates have also eased from record highs. While these developments offer some relief, the recovery in Middle Eastern exports remains fragile, inventories are depleted, and geopolitical risks continue to support prices.

Dated Brent was assessed at USD 134.1/bbl on Monday before easing to around USD 126.4/bbl on Thursday and USD 116.6/bbl on Friday. The more than USD 17/bbl decline during the week is significant. Dated Brent nevertheless remains above Brent futures, although the gap narrowed to less than USD 7/bbl on Friday. The benchmarks cover different delivery periods, but the sharp narrowing suggests some easing in the immediate physical tightness.

The premiums paid for individual cargoes earlier in the week illustrated just how tight the market had become. According to S&P Global/Platts, a Forties cargo traded on Monday at more than USD 19/bbl above Dated Brent for loading in early November. A WTI Midland cargo for delivery into Rotterdam traded at more than USD 22/bbl above Dated Brent. These premiums apply to the relevant pricing periods and should not simply be added to the same day's Dated assessment. The subsequent decline in Dated Brent suggests that some of this exceptional pressure has eased.

Tanker rates tell a similar story. Shipping crude from the US Gulf Coast to China recently cost around USD 40/bbl, making long-distance crude movements extremely expensive. Rates declined somewhat during the second half of the week as tanker demand softened, but remain close to record highs. High freight costs still favour crude located closer to the buyer and limit the ability to move oil between regions.

For refiners, the combination of expensive physical crude and elevated freight costs continues to squeeze margins, even when product cracks against Brent futures appear attractive. The IEA expects global refinery runs to reach a seasonal low of 81.3 mb/d in October. We see a risk that high feedstock costs and shipping constraints limit the production response to high diesel prices. The market needs more refined products, but not all refiners can benefit from the exceptionally high product prices.

Meanwhile, the recovery in Middle Eastern exports is becoming increasingly fragile. Attacks on commercial shipping have intensified further. UKMT0 reported two additional tanker attacks in the northern Arabian Gulf on Friday, while another incident involving an LNG tanker was reported off Yemen on Saturday. The escalation has also spread to Saudi infrastructure. Houthi attacks have targeted Saudi Aramco facilities, while Saudi forces intercepted a ballistic missile heading towards Yanbu on Friday. No damage to the port's oil infrastructure was initially reported. Yanbu is particularly important because it provides an alternative export route to Hormuz.

Bloomberg also reported that at least ten empty VLCCs and several Suezmax tankers had stopped or turned away while approaching Fujairah. This matters because ship-to-ship transfers outside Hormuz have helped sustain exports. If larger tankers stay away, that system becomes less effective. Iran does not need to close the strait completely to disrupt supplies.

The IEA's October report illustrates the vulnerability. Global oil demand is forecast to fall by 2.6 mb/d in 2026, but observed inventories were still 509 million barrels below end-February levels at the end of

September. Onshore stocks fell by 113 million barrels during September, largely offset by an increase in oil at sea. Oil in transit provides less immediate protection against local shortages. As the chart below illustrates, oil demand also picks up seasonally in Q4, although the IEA expects consumption to remain substantially below last year's level.

The latest US figures also showed an 8.6 million barrel draw in crude inventories, while distillate stocks declined by another 2.5 million barrels. Lower imports and hurricane-related production disruptions contributed to the crude draw, so it should not be read solely as a sign of stronger demand. Washington has also offered up to 17 million barrels of crude from the Strategic Petroleum Reserve through an exchange programme.

Washington is considering easing sanctions on some vessels in the Russian and Iranian shadow fleets to increase available tanker capacity. No general decision has been made. We doubt this would provide substantial relief. Many of these vessels are already operating, while their age, condition, insurance constraints and remaining European restrictions would limit their wider use.

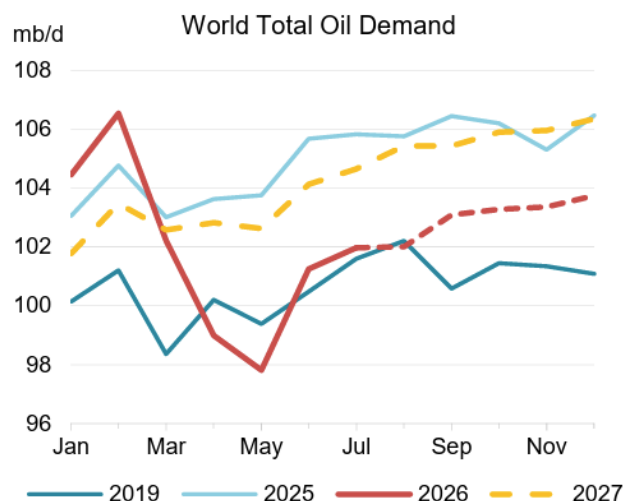
On Sunday, Iran reiterated that its proposal to reopen Hormuz within seven days remains on the table. However, negotiations remain stalled over sanctions relief, the US blockade and Iran's nuclear programme. We maintain our view that a lasting US-Iran agreement before the November midterms is unlikely. Our central scenario remains a more durable reopening of Hormuz in Q2 2027.

The sharp decline in Dated Brent and easing freight rates are encouraging signs, but we would caution against interpreting them as evidence that the supply crisis is over. Weaker demand and financial market volatility can push prices lower in the short term. However, depleted inventories, continued shipping disruptions and the risk of further attacks on Saudi infrastructure leave the market exposed to renewed price increases.

Dated Brent vs Brent future spread has narrowed



Demand picks up in Q4 for seasonal reasons



MGO/gasoil and diesel: Trump seeks lower prices, but the supply shortage remains

Trump is pursuing several routes to lower diesel prices ahead of the midterms: Russian deliveries, pressure on Ukraine to halt refinery attacks, faster European stock releases and the continued threat of US export restrictions. These measures can ease prices in the short term. However, the underlying

supply shortage remains unresolved. Middle Eastern diesel exports are still severely disrupted, global inventories are falling, and the IEA expects the market to remain tight well into 2027.

The initially announced Russian deliveries total 1.8 million tonnes across October–December, equivalent to around 146,000 b/d averaged over the quarter. This represents approximately 15% of Russia's diesel/gasoil exports at its H1 2025 pace. These are promised deliveries, not necessarily an equivalent increase in global supply. On Sunday, Turkey confirmed that it would receive part of the Russian deliveries, although no volumes were disclosed. Russian Deputy Prime Minister Alexander Novak has suggested that exports could eventually reach 3 million tonnes per month. This would matter much more, but depends on refinery recovery.

That recovery is becoming less certain. Following the collapse of the proposed energy ceasefire, Ukraine has resumed attacks on Russian oil infrastructure. On Sunday, a major Ukrainian drone attack caused fires at the St Petersburg oil terminal and a nearby oil depot. The extent of the damage and its impact on exports remain unclear. Meanwhile, Zelenskyy reported 76 Russian attacks on Ukraine's energy infrastructure during the past week. Relations between Washington and Kyiv have deteriorated further following Trump's decision to ease Russian energy sanctions. The failed ceasefire therefore provides little basis for expecting a sustained recovery in Russian diesel production and exports.

Thursday's IEA announcement offers more immediate relief. Members will accelerate outstanding commitments from March, including more than 20 million barrels of diesel. Around 330 million barrels have already been released, with approximately 100 million barrels still scheduled for delivery. Some countries are exceeding their original pledges, but the latest decision primarily accelerates previously promised releases rather than introducing substantial new volumes. The threat of US diesel export restrictions also remains, although no general ban has been announced.

We expect the stock releases to ease near-term pressure, but they cannot repair refineries or restore regular exports. The IEA estimates that combined net diesel exports from Russia and the Middle East fell by 1.3 mb/d year-on-year in September. Higher exports from the US and China offset part of the decline, but global diesel exports were still 700,000 b/d lower. Middle Eastern product exports remain below half their pre-war levels, despite the recovery in crude exports. The IEA expects refinery output to recover towards year-end, but replenishment of depleted diesel inventories is unlikely before the second half of 2027.

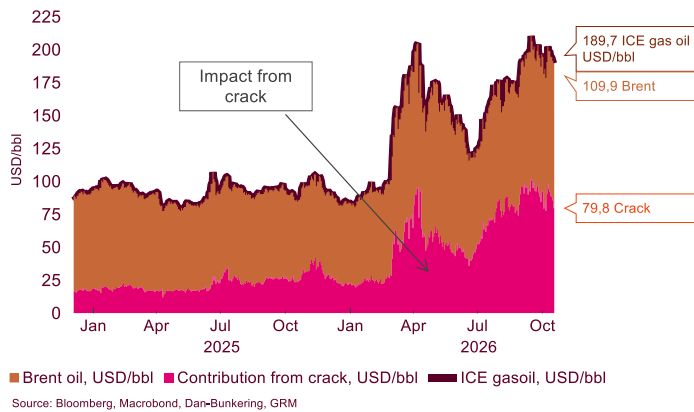
Inventories give a mixed regional picture. US distillate stocks fell by another 2.5 million barrels to 102.6 million barrels last week, around 12% below a year ago. US distillate exports also declined from 1.76 mb/d to 1.37 mb/d. In ARA, independent gasoil stocks have averaged 13.34 million barrels so far in October, around 6% above September levels. This provides some European relief, but we see two reasons why these figures may underestimate the underlying tightness.

First, exceptionally low water levels on the Rhine have restricted inland deliveries, potentially leaving diesel and heating oil temporarily stored in ARA rather than reaching consumers. The Kaub gauge was around 7–10 cm on Sunday, well below normal navigational levels. Second, industry sources indicate that many households, particularly in Germany, have postponed heating oil purchases because of high prices. The IEA also confirms that heating-related purchases have been deferred. Both factors could result in significant inventory draws as winter approaches, particularly if Rhine transport conditions improve. Elevated product tanker rates could add further pressure by increasing the cost of attracting diesel cargoes to Europe.

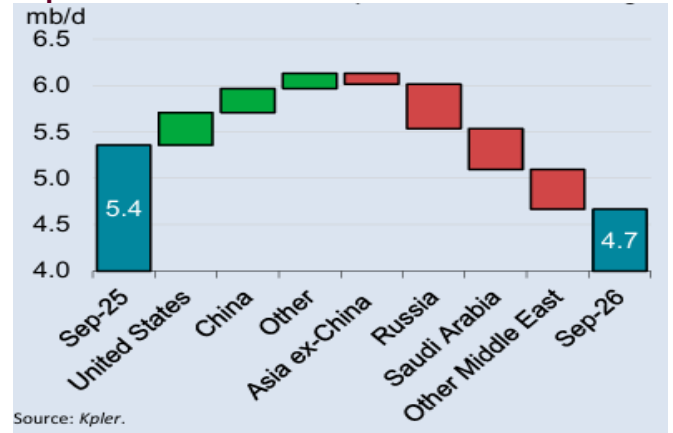
The ICE gasoil November contract closed at USD 1,413/MT on Friday, down from USD 1,428.50/MT on Thursday. The December contract closed at USD 1,369.50/MT, illustrating the steep backwardation. Comparisons with earlier front-month prices require care because the contract rolled this week. Despite some relief from stock releases and lower physical crude prices, diesel, gas oil and MGO remain exceptionally expensive. The underlying problem is not a lack of announcements, but a shortage of available refined products.

Our view remains that consumers should use price declines to add diesel, gasoil, and MGO hedges. These products share exposure to constrained refining capacity and disrupted trade flows, although local premiums can move differently. Backwardation offers lower prices further along the curve, while purchased calls provide protection against renewed price increases without sacrificing the benefit of further declines. We expect volatility to remain high until Middle Eastern refining and product exports recover more substantially.

Diesel/gas oil (MGO) pushed higher by higher crack

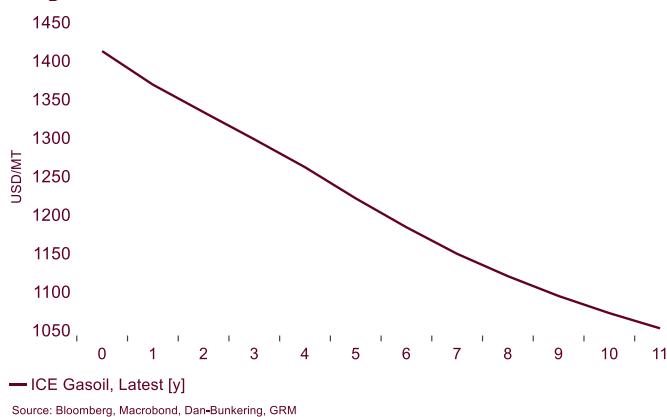


Y/Y-change in global seaborne gasoil/diesel exports, September 2026



Source: IEA

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



ICE gas crack has edged lower, but still elevated



Bunker fuel: Singapore HSFO tightness drives HI5 sharply lower

The main development in bunker markets this week has been the sharp strengthening of HSFO in Singapore. The physical HI5 spread between VLSFO and HSFO narrowed to just USD 23/MT on Thursday, before recovering slightly on Friday. We primarily see this as a sign of HSFO tightness rather than weakness in VLSFO. The narrowing spread significantly reduces the fuel-cost advantage for scrubber-fitted vessels and illustrates how differently individual bunker grades are responding to the Middle East crisis.

The supply shortage is becoming more pronounced. Speaking at SIBCON this week, Vitol estimated that HSFO exports through Hormuz remain at least 800,000 tonnes per month below pre-war levels. Singapore HSFO spot premiums have consequently risen to almost USD 50/MT, compared with around USD 5/MT before the war. VLSFO supplies are relatively less constrained, partly supported by increased production in China and Nigeria.

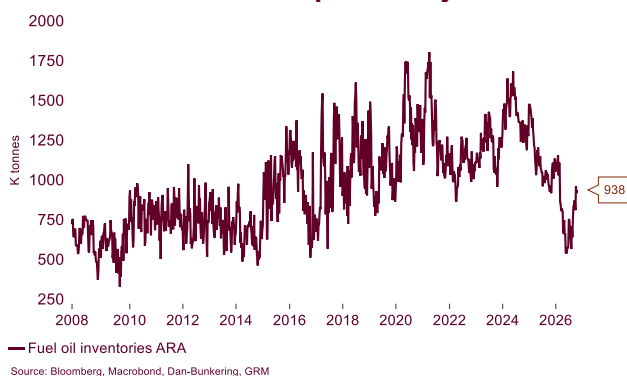
Singapore's residual fuel oil inventories have averaged 18.36 million barrels so far in October, around 7% below September levels. This is despite a 12% increase in net imports. Prompt bunker availability remains tight, with recommended delivery lead times of 11–17 days for HSFO and 11–18 days for VLSFO last week. The combination of lower inventories, disrupted imports and strong HSFO demand is keeping upward pressure on bunker premiums.

The stronger Singapore market has widened the HSFO East-West spread against Rotterdam. Normally, this would attract cargoes from Europe and help narrow the price gap. However, exceptionally high tanker rates and shipping risks are limiting that adjustment. Even a substantial price difference does not necessarily cover the cost of moving fuel east. This is another example of how the Middle East war is fragmenting regional energy markets.

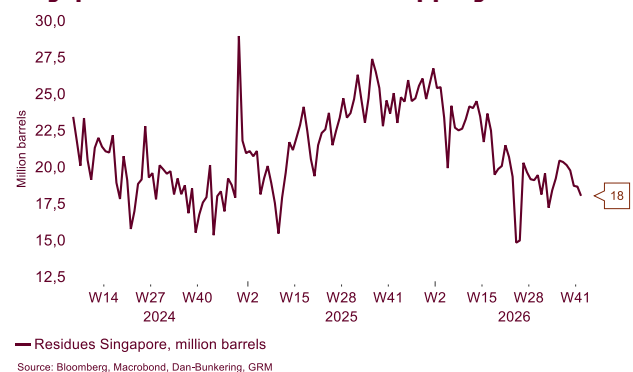
ARA remains relatively better supplied, with fuel oil stocks averaging 7% above September levels so far in October, at 5.85 million barrels. However, inventories remain 10% below February levels, and prompt bunker availability is still tight. The contrast with Singapore underlines how freight costs and supply disruptions are keeping regional markets apart.

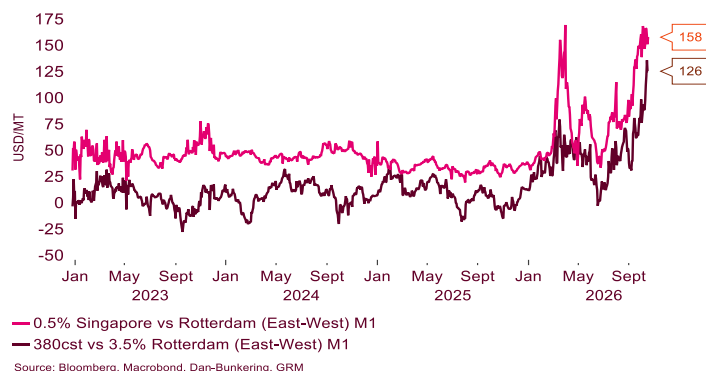
For bunker consumers, the message is that product and location matter. Brent alone gives an incomplete picture of fuel-price exposure. MGO remains exposed to the global distillate shortage, while this week's HSFO rally shows how quickly regional supply constraints can change relative bunker prices and scrubber economics. We therefore continue to recommend managing exposure by individual fuel grade and delivery location rather than relying solely on crude oil hedges. See stock levels, bunker prices and spreads below.

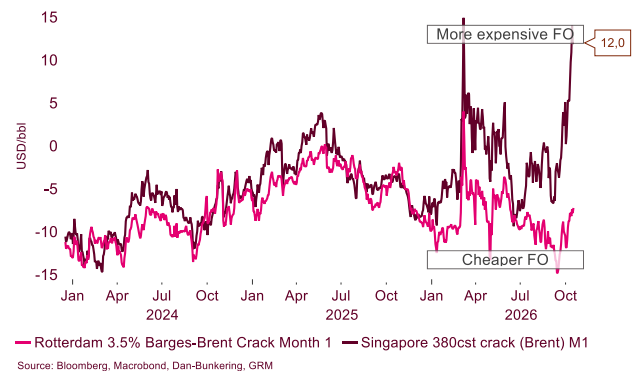
ARA Fuel oil inventories up from July low, k tonnes

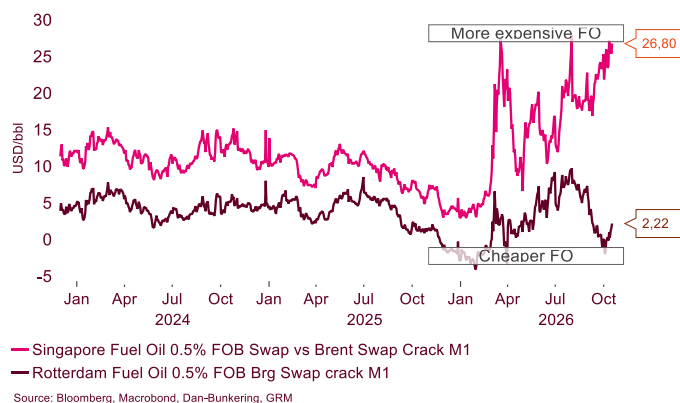


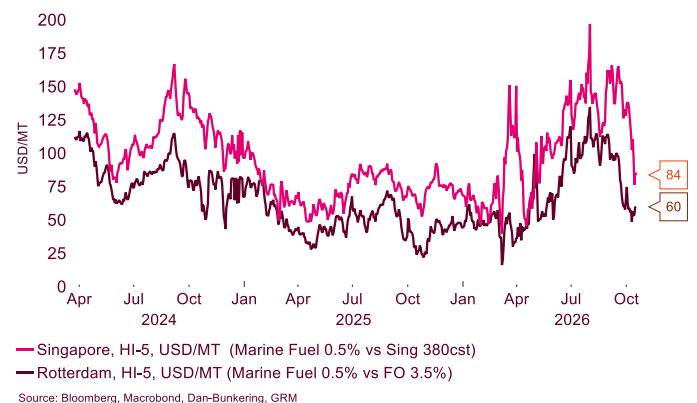
Singapore fuel oil inventories dropping, million barrels



East-West spreads remain elevated ...


Ride the Next Wave
... as, HSFO cracks are rising again in Singapore


Ride the Next Wave
VLSFO cracks are moving in different directions in Rotterdam and Singapore, USD/bbl


Ride the Next Wave
HI-5/scrubber spreads(M1) have dropped notably in Singapore


Ride the Next Wave
EUAs: Prices retreat despite expensive gas – EU summit adds policy pressure

EUA prices weakened during the week despite a further increase in European gas prices. The Dec-26 contract closed at EUR 85.41/t on Friday, down 1.8% on the week after reaching EUR 88.82/t on Monday. The market has nevertheless recovered most of the decline following the 30 September compliance deadline. High gas prices continue to support the outlook for EUA demand, but concerns about industrial activity, financial market uncertainty and growing political pressure to ease carbon costs are weighing on prices.

European gas prices rose sharply, with TTF closing at EUR 87.55/MWh on Friday. Expensive gas improves the competitiveness of coal-fired power generation, which requires more allowances per unit of electricity. German clean dark spreads remain positive for Q1 2027, suggesting that coal generation could increase during periods of cold weather and weak wind output. This would support EUA demand, although weak industrial activity and strong renewable generation continue to pull in the opposite direction.

Political risks have also increased. At last week's EU summit, Italy, Poland, Hungary, Slovakia and the Czech Republic pushed for changes to EU carbon pricing rules to reduce energy costs. The final conclusions stopped short of suspending the ETS but called for faster negotiations on the Market Stability Reserve (MSR) and measures to reduce carbon price volatility and its impact on electricity prices. The Commission was also asked to reassess the impact and safeguards of ETS2. We see this as another indication that high energy prices are increasing political pressure to soften the ETS.

The MSR negotiations remain particularly important. The Council supports suspending allowance invalidation until the end of 2030, followed by a higher invalidation threshold of 800 million allowances from 2031. The European Parliament favours a lower threshold of 650 million allowances from March 2027. These remain negotiating positions, not adopted legislation. The outcome could have important implications for future allowance supply and prices.

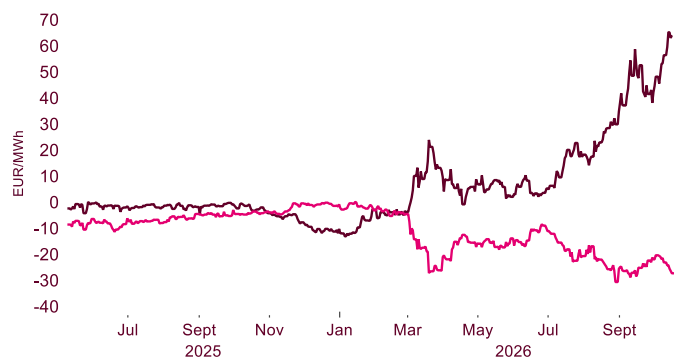
Meanwhile, Politico reported that UK and EU negotiators have reached an agreement in principle to link their emissions trading systems. The next EU-UK summit is scheduled for 20 November, although the agreement remains dependent on progress in other negotiations. Formal approval and implementation would still be required before allowances could be traded between the two systems.

The development is particularly relevant for shipping. Since 1 July 2026, the UK ETS has covered domestic voyages and emissions in UK ports for vessels of 5,000 GT and above. Offshore vessels will be included from January 2027, while international voyages remain outside the UK scheme. The first allowance surrender deadline is April 2028, covering emissions from both 2026 and 2027. In contrast, the EU ETS already covers international shipping, including 50% of emissions on voyages between EU and UK ports. Linking the systems could reduce carbon price differences and simplify hedging for shipping companies operating in both markets, although the scope and compliance rules would still need to be aligned.

Linkage would also create the conditions for mutual exemptions from carbon border charges, subject to the relevant legal requirements. We would expect closer alignment between UK and EU allowance prices. With UK allowances trading at a discount, the clearest implication is support for UK prices. The effect on EUAs is less straightforward, as linkage would combine both allowance supply and emissions demand.

For EUA consumers, including shipping companies, the recent price decline offers an opportunity to add hedges. High gas prices, the potential for more coal generation during winter and the expected tightening of the market in 2027–28 support our underlying bullish view. However, political intervention and weak industrial demand remain important downside risks. We therefore favour gradually increasing hedge ratios rather than waiting for a substantial correction.

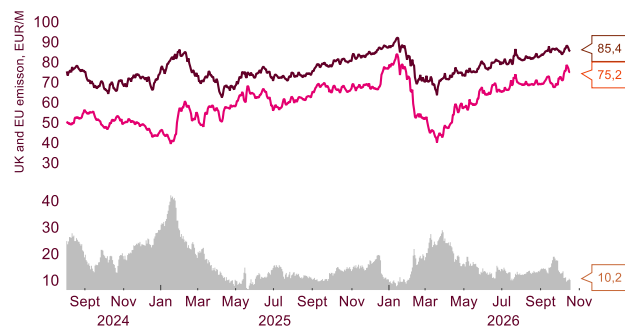
Attractive clean dark spread adds to EUA demand both in spot and hedging



— SPARK SPREAD Q1 2027 — DARK SPREAD Q1 2027

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

EU and UK emission allowance price spread has narrowed. Both in EUR/MT



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

Source: Bloomberg BI

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

	Spot	Q4 2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	avg. 2026	avg. 2027
Brent, USD/bbl	109,9	102	92	85	82	82	92	85
ICE Gasoil, USD/MT	1413	1450	1279	1118	1021	1021	1195	1109
HSFO (1M 3.5% Rotterdam Barge), USD/MT	630	595	525	483	476	476	539	490
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	690	684	614	565	546	546	611	568
EUA spot, EUR/MT	85	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 a month ago. 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.

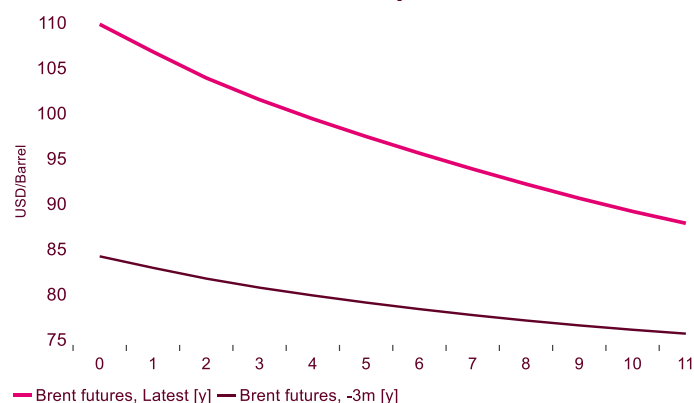
Overview Charts:

Brent oil



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

Brent forward curve, indicative prices

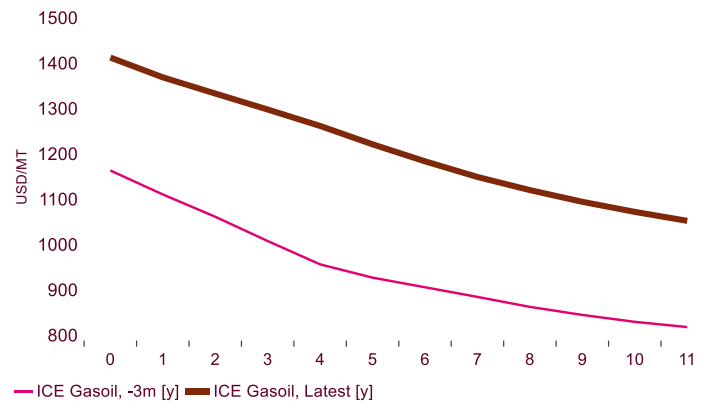


Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

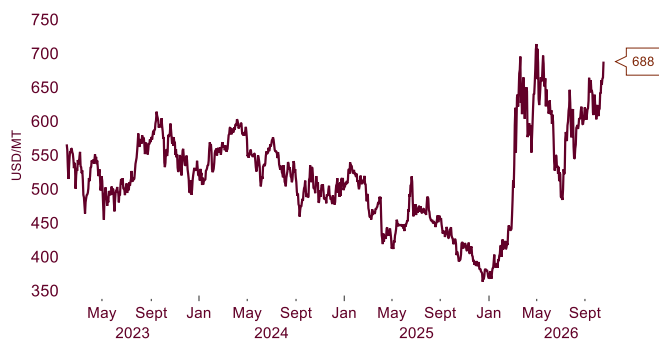
ICE Gasoil, 1. Pos.

— ICE Gasoil, 1st. position

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

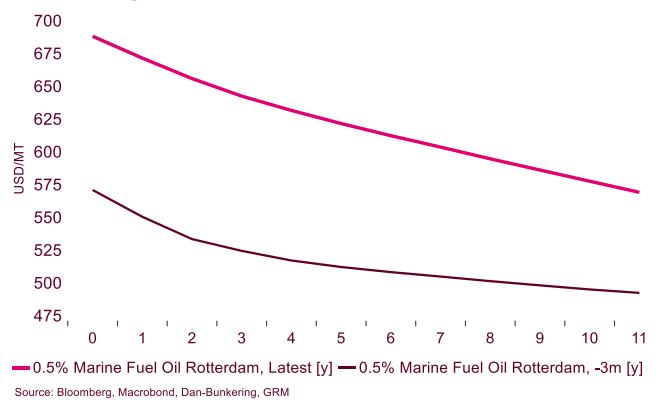
**ICE Gasoil forward curve, indicative prices**

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

**0.5% Marine Fuel Oil Rotterdam Barge, 1M**

— 0.5% Marine Fuel Oil Rotterdam Barge, 1M

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

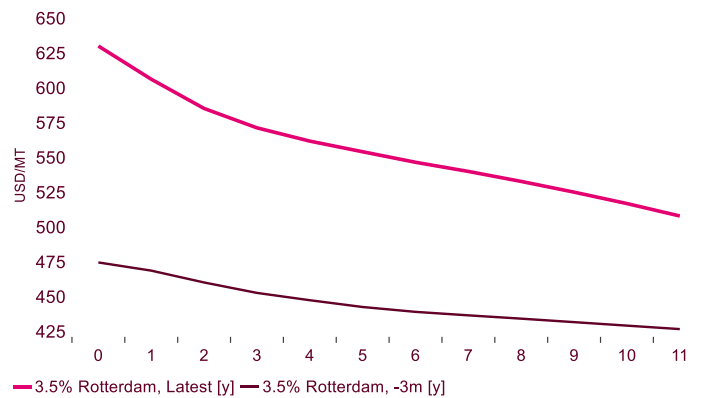
**0.5% Marine Fuel Oil Rotterdam Barge Forward Curve, indicative prices**

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**

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



Singapore FOB 0.5% Marine Fuel Oil swap 1M

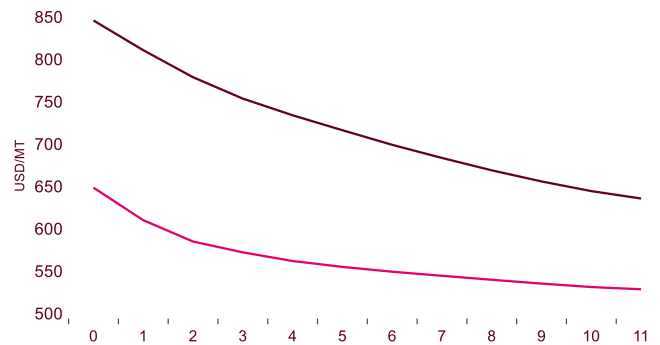


— Singapore FOB 0.5% Marine Fuel 1M

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



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



— Sing 0.5% Marine FO fob swap, -3m [y] — Sing 0.5% Marine FO fob swap, Latest [y]

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



3.5% Singapore 380 CST FO swap, M1

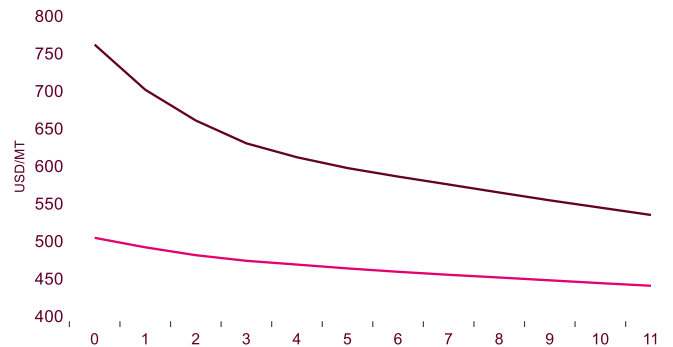


— 3.5% Singapore 380 CST FO, 1M

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM



3.5% 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

