



Dan-Bunkering

Ride the Next Wave







Weekly Market Report

May 12, 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	9	8
Demand			

Fujairah

	VLSFO	HSFO	MGO
Availability			
Days of notice	3	3	3
Demand			







The dull demand continues in the Middle East Market from previous weeks with limited to almost zero enquiries in the region. Product and stock availability in the local terminals are also critically low with ex-wharf sellers pushing suppliers to lift the last available drops and a few suppliers have loaded their barge with product but unable to sell due to no demand in the area. We expect this situation to continue to next week, till a positive outcome is reached locally with the SoH situation which might potentially ease some vessel/cargo flows into the FUJ region.

Houston

	VLSFO	HSFO	MGO
Availability			
Days of notice	10	10	7
Demand			

Port operating conditions are normal. Some congestion due to high demand. Recommending 10 days lead time for new fuel oil orders and 7 days for LSMGO orders. Prompt avails are very limited and should expect higher pricing. Demand remains strong due to effects of the ongoing middle east conflict. Due to high demand premiums remain well elevated over historical averages across all grades.

New York

	VLSFO	HSFO	MGO
Availability			
Days of notice	5	7	3
Demand			

Sing 380 flat.

Panama

	VLSFO	HSFO	MGO
Availability			
Days of notice	3-6	4-7	3-6
Demand			

Gibraltar

	VLSFO	HSFO	MGO
Availability			
Days of notice	7-9	7-9	7-9
Demand			

Good avails, tighter on vlsfo, due to fueloil situation in ara.

Malta

	VLSFO	HSFO	MGO
Availability			
Days of notice	5-6	7-8	3-4
Demand			







Peninsula down to one barge in Malta.

Durban

	VLSFO	HSFO	MGO
Availability			
Days of notice	5-8	6-10	6-10
Demand			

Very poor weather in the Southern African region has created a port backlog due to closures. This is expected to continue for the remainder of the week.

Port Louis

	VLSFO	HSFO	MGO
Availability			
Days of notice	6-9	7-10	5-8
Demand			

Steady demand in Port Louis with more tanker volume coming in as vessels transit the CoGH from Asia. Avails remain OK.

Walvis Bay

	VLSFO	HSFO	MGO
Availability			
Days of notice	5-7	12-18	5-7
Demand			

Poor weather hampers offshore supplies with majority being concluded in port Walvis. HSFO product is now available via one supplier for a short period.

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: Risk of the Strait of Hormuz being closed for an extended period of time

Iran rejects US peace proposal

Iran's response to the latest US peace proposal came late Sunday. It is unclear what Iran has specifically answered, but the response was not to Trump's liking. Later Sunday, the following message appeared on social media:

"I have just read the response from Iran's so-called "Representatives." I don't like it – TOTALLY UNACCEPTABLE! Thank you for your attention to this matter. President DONALD J. TRUMP"

According to Reuters, the Iranian response focused not only on ending the war with the US, but also on the war in Lebanon, where Israel is at war with the Iranian-backed Hezbollah militia. Iran is also demanding war reparations, sovereignty over the Strait of Hormuz, that the US lifts its naval blockade and that sanctions against Iran are lifted.

According to the Wall Street Journal, Iran has reportedly offered to move part of its highly enriched uranium to a third country, but has rejected dismantling its nuclear facilities.

According to Iran's Tasnim news agency, Iran has rejected the Wall Street Journal story.

What remains clear is that the US and Iran are still very far apart. It is also clear that the Iranian regime believes time is on its side, unlike Trump under pressure from high US gasoline prices. This increases the risk that the Strait of Hormuz will remain closed for a longer period or that the war will break out again.

It also suggests that Iran will continue to fire on ships that try to pass through the Strait of Hormuz without permission, and that Iran will continue its attacks on neighbouring countries. UAE has been particularly hard hit, and during the weekend, according to the country's defence minister, the UAE was attacked by two drones.

With the weekend's events, last week's optimism that an agreement could be close suffered another blow. However, the oil price is far from back at Monday's level, when the market briefly traded above USD 115.

Less tight physical market

This may be because the physical oil market has actually seen less upward pressure on prices and a less tight market. This is reflected, in the price difference between Dated Brent, oil for delivery in 10 to 30 days, and the July Brent future, which has narrowed sharply from USD 35 to almost nothing. Buyers no longer have to pay an excessive extra premium to buy oil for short-term (spot) delivery. We see the same trend in many refined products and bunker markets. The physical market is now sending a signal to the futures market of a better supplied market. This is the complete opposite of the situation a month ago.

Why is the physical oil/product and bunker market apparently less tight?

- More crude oil and oil products from the US to Europe
- Oil and products from the strategic reserves are now hitting the physical market
- China is slowing its crude oil imports and has restarted oil product exports
- Expectations of a reopening of the Strait of Hormuz, reducing the need to hoard crude oil, products and fuel
- Steep backwardation made it expensive to buy Dated Brent and hedge with cheaper Brent/product futures due to the backwardation
- Lower demand, like slow-steaming (demand destruction)

Physical easing may be short-lived

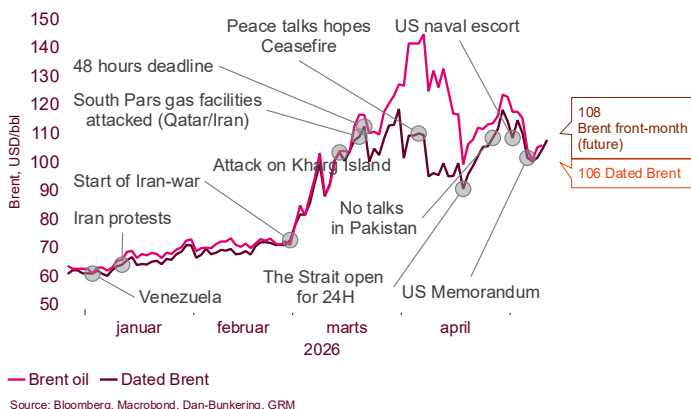
The effect may, however, prove short-lived. Considering the latest breakdown in negotiations, the risk is that the closure of the Strait of Hormuz will drag on, and the physical market will tighten again as the temporary factors that have helped ease shortages disappear. We therefore see a risk that the market now begins to focus on the fact that many of the factors that have kept the oil price around USD 100 will be exhausted if the Strait of Hormuz remains closed in June. This points to further upside for the oil price in the coming weeks.

We indeed forecast that the tightness in the physical market will return very soon. A massive inventory drawdown is underway as we discussed in last week's report.

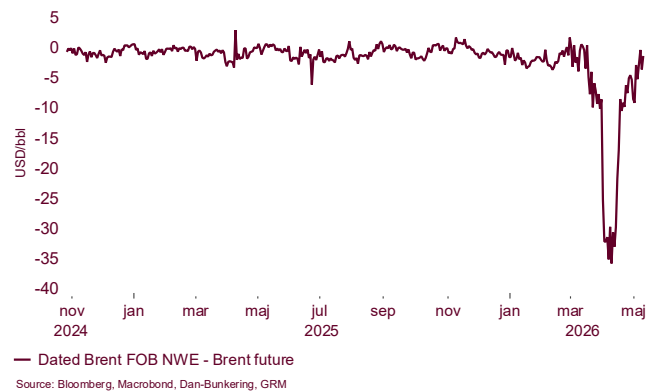
The media is also full of warnings about the effect of the closure of the Strait of Hormuz. JP Morgan warns that OECD inventories could reach a "stress level" in early June. Aramco's CEO, Amin Nasser, warns that the market is already missing 1 billion barrels and that a reopening of the Strait is not the same as normalisation.

This week, Trump is due to meet President Xi in China. He will probably try to get China to increase pressure on Iran. But it also likely means that the US will not return to war before the meeting.

Dated Brent has come down



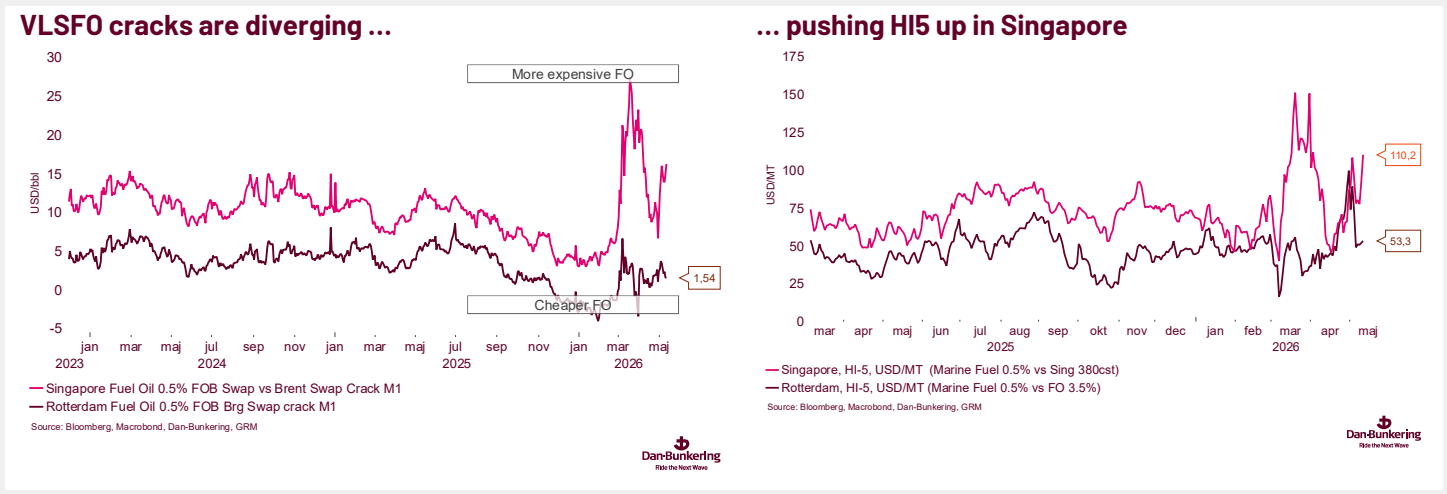
After widespread in March



Fuel/Bunker: More expensive VLSFO in Singapore and higher HI5

In the fuel and bunker market, we are again seeing a trend of VLSFO becoming more expensive in Singapore, as evidenced by a higher crack spread. In Rotterdam, cracks are more stable.

This has pushed the price spread to HSF0, the so-called HI5/scrubber spread, further up in Singapore. VLSFO is a blended product and, at times, is affected by the price of gasoil and other blending components. The move in the crack in Singapore may be the first warning sign from the paper market that the market is tightening.



Below is our forecast for oil, bunker fuel, and EUAs, updated as of May 12, 2026.

	Spot	Q2 2026	Q3 2026	Q4 2026	Q1 2027	Q2 2027	avg. 2026	avg. 2027
Brent, USD/bbl	107,6	100	86	81	77	75	86	76
ICE Gasoil, USD/MT	1219	1157	1013	901	834	820	987	827
HSFO (1M 3.5% Rotterdam Barge), USD/MT	613	599	508	476	457	451	511	454
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	670	656	565	533	514	508	565	511
EUA spot, EUR/MT	75	76	80	95	96	96	81	96

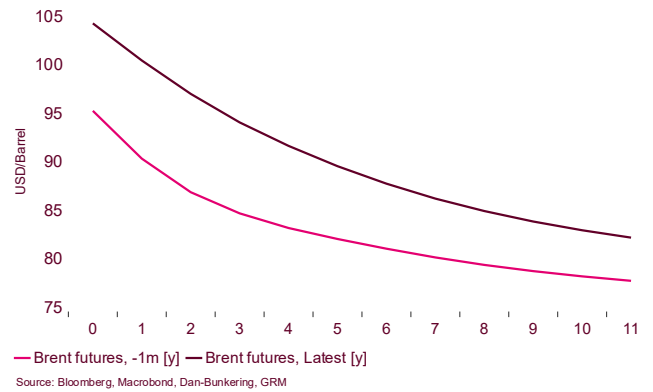
Source: Dan-Bunkering, indicative spot-prices based on Bloomberg 1M fair-value

Overview Charts:

Brent oil



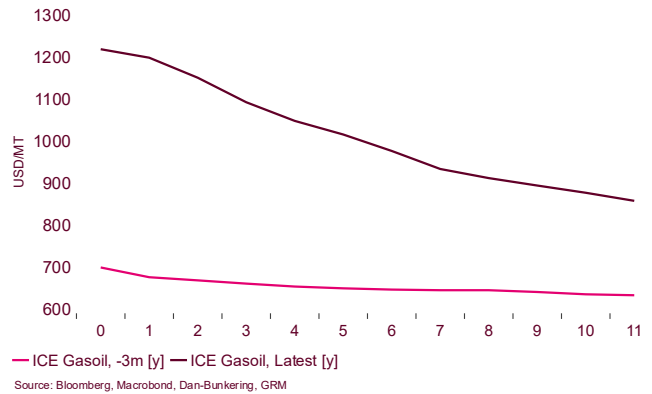
Brent forward curve, indicative prices



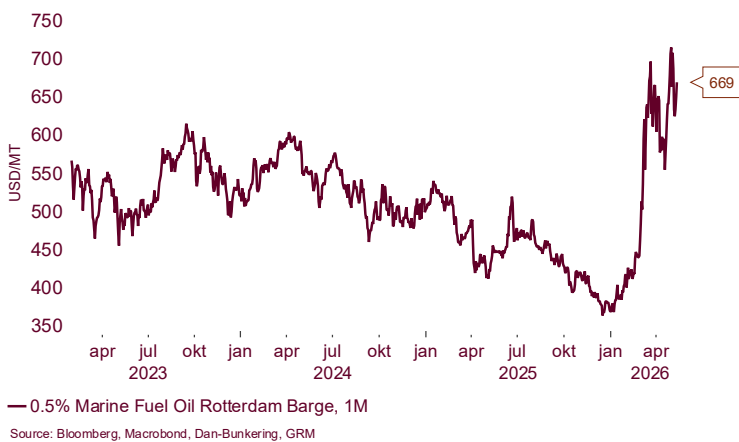
ICE Gasoil, 1. Pos.



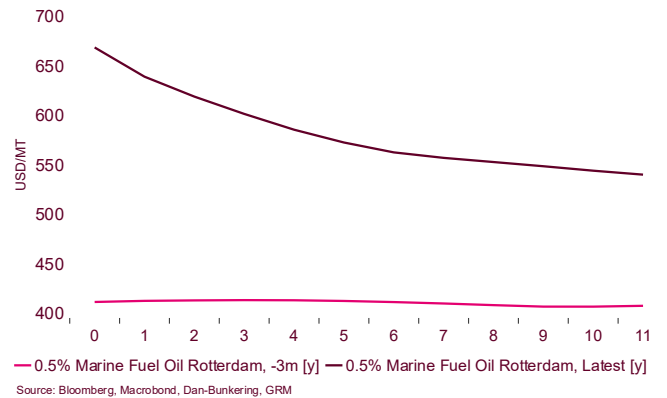
ICE Gasoil forward curve, indicative prices



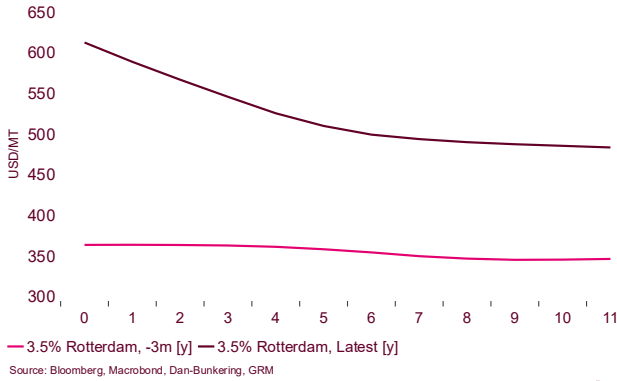
0.5% Marine Fuel Oil Rotterdam Barge, M1



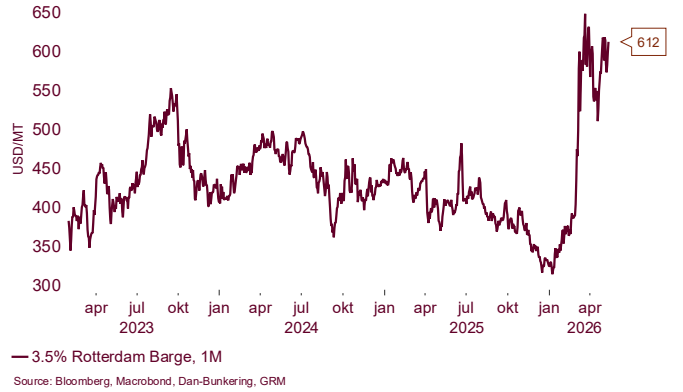
0.5% Marine Fuel Oil Rotterdam Barge Forward Curve, indicative prices



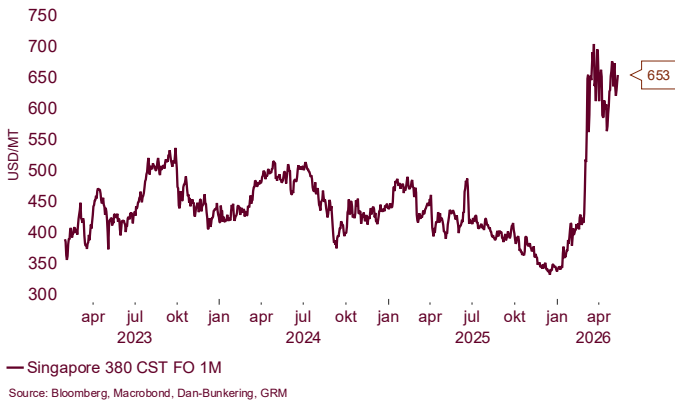
Rotterdam 3.5% Barge



Rotterdam 3.5% Barge forward curve, indicative prices



Singapore 380 CST FO 1M



Singapore 380 CST FO forward curve, indicative prices

