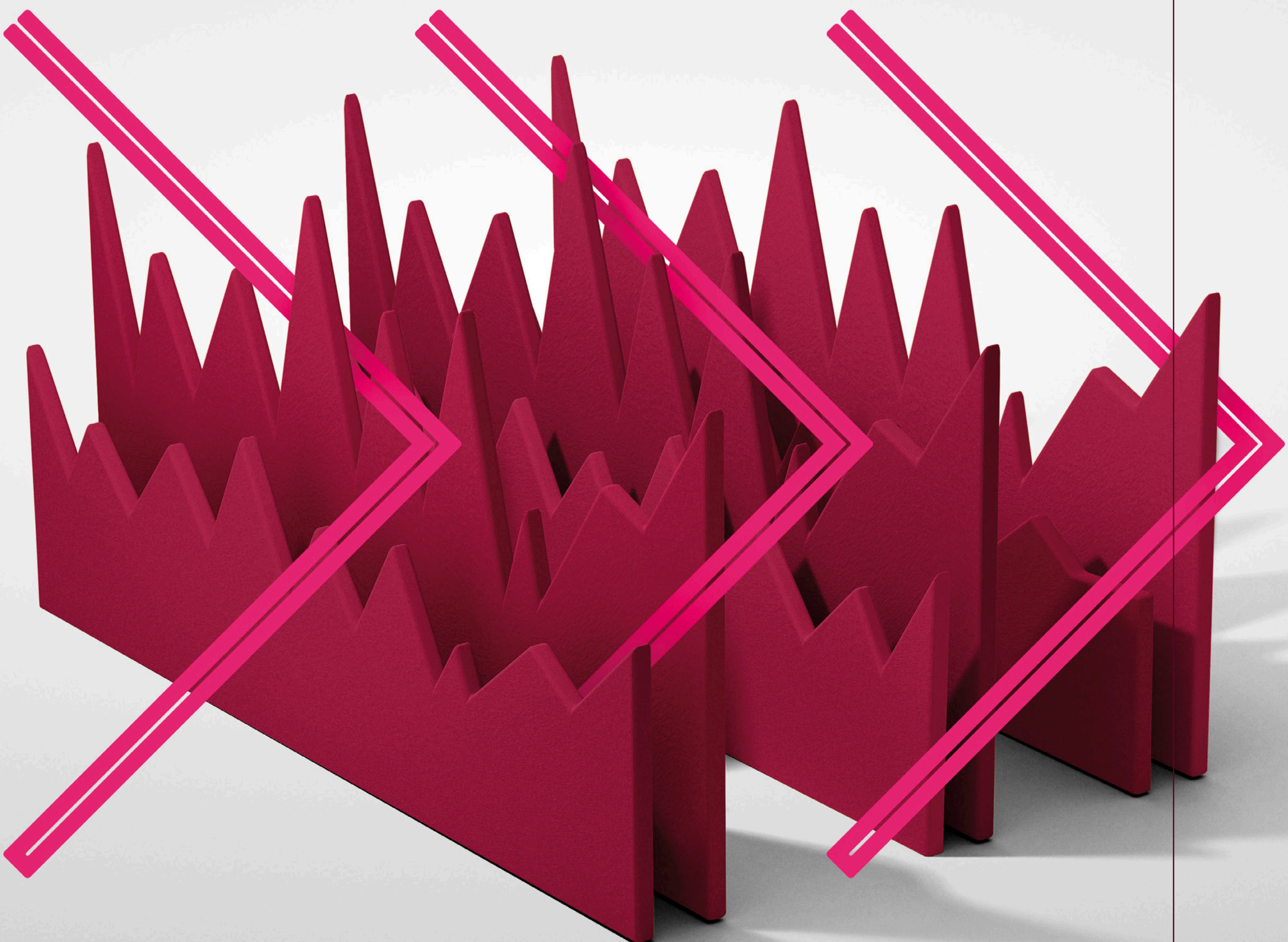
Dan-Bunkering
Ride the Next Wave

Weekly Market Report

March 25, 2025



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

Bunker Port Brief

Singapore

	VLSFO	HSFO	MGO
Availability			
Days of notice	5	6	1
Demand			

The Asian LSFO market is expected to stay stable on plentiful supply and weak demand.

The Asian HSFO market is likely to see growing pressure in the coming days as arbitrage supplies rise and bunker demand slows.

The Asian LSMGO market could weaken further on ample supply.

ARA

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

LSMGO discounts are higher in anticipation of the Med ECA demand in May. We have moved from -60's to ICE FM at the start of the year to -30's this week.

Fujairah

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

Bunker demand has been notably weak over the past few weeks, impacting the otherwise rebounding premiums and discounts seen in March. February was reported by the Port of Fujairah as the lowest demand month on record, while stock levels are now at an 11-month high. Looking ahead, the East Coast is expected to face severe weather conditions this week, which are likely to cause delays and backlogs in operations. These disruptions are already being observed on the West Coast in Bahrain, Kuwait, and Qatar, potentially affecting fuel supply and scheduling. This combination of factors may further influence bunker availability and pricing in the coming days.

Houston

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

Conditions and operations in the port are normal. No major delays or disruptions to report. Offshore Galveston and Bolivar Roads anchorage continue to be impacted by high winds and rough seas conditions, causing intermittent disruptions to bunker operations. If booking bunker supply at these locations, potential delays should be expected.

New York

	VLSFO	HSFO	MGO
Availability			
Days of notice	2	6	1
Demand			

Demand for HSFO remains strong from containers in NYH, and we have seen a downward trend for VLSFO in terms of demand and premium to Brent.

Panama

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

Low demand.

Gibraltar

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

Malta

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

Wind warnings are in place again. Notice days have increased in order to be ahead of time due to wind, as wind may close down anchorage areas. Demand appears higher than it is due to weather related disruptions.

Port Louis

	VLSFO	HSFO	MGO
Availability	■■■■■	■■■□□	■■■■■
Days of notice	5	5	2
Demand	■■■■■	■■■□□	■■■■□

Durban

	VLSFO	HSFO	MGO
Availability	■■■■■	■■■■■	■□□□□
Days of notice	3	3	n/a
Demand	■■■■■	■■■■■	■■□□□

Walvis Bay

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

More positive sentiment in the oil market as sanctions support prices

Again, there was plenty of news for the oil market to absorb over the last week. After a bearish start in March, traders became more bullish, and Brent seemed to have stabilised above USD 70 instead of below USD 70, as was the case a few weeks ago.

We believe the positive sentiment will continue over the next few weeks as the focus increasingly turns to US sanctions on Iran and Venezuela.

Hence, the risk remains on the upside for oil prices in Q2 and Q3 even after the latest move higher to USD 73.50 for Brent.

That said, we stress that the risk of a sudden drop in oil prices—though seen as small—into the mid-USD 60s remains as trade war risks escalate almost daily.

In today's issue, we summarize some factors driving oil prices higher over the past week.

- US “maximum-pressure” sanctions on Iran
- US sanctions on Venezuela and threat of tariffs if a country buys oil from Venezuela
- OPEC+ plan for compensation cuts

1. US sanctions on Iran have been stepped up

The oil price has increased following last week's announcement by the US regarding new sanctions on Iran.

For the first time, a Chinese refinery and a Chinese port terminal were sanctioned, and the number of US-sanctioned tankers transporting Iranian oil increased by eight.

It does not concern one of the large government-owned Chinese refineries but a privately owned Chinese teapot refinery. However, it means that customers buying refined products or providing services to the newly sanctioned entities risk being affected themselves.

It is yet another step toward the announced "maximum pressure" strategy on Iran. The new sanctions are also a means of pressuring Iran into a new nuclear deal. Trump handed a letter to Iran on 12 March, which Iran has stated it will respond to in the coming days. The letter contains a two-month deadline to enter a new nuclear agreement with the US.

We do not believe a nuclear deal with Iran will be reached and that the sanction pressure will intensify in the coming months. The Iranian foreign minister stated on Thursday that they would not negotiate under pressure or threats.

However, we are still far from achieving "maximum pressure" and a complete halt to Iranian oil exports to China. The vast majority of Iranian oil is sent to China.

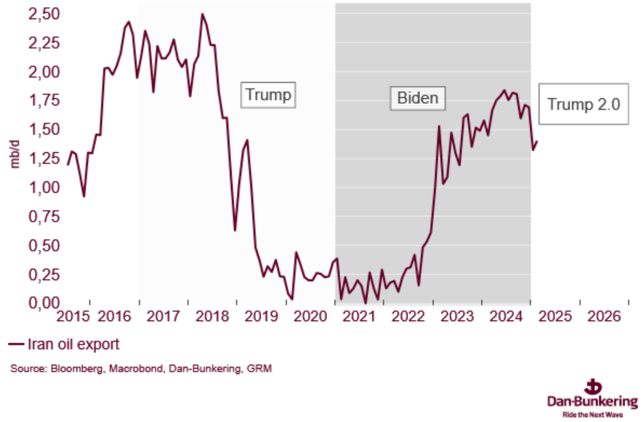
We have long warned that oil prices have an upside risk over the coming six months due to sanctions on Iran. Last week’s news underscores this. We do not believe the US will succeed in halting Iranian oil exports, which currently stand at approximately 1.5 million barrels per day.

However, a decline of 0.5 to 1.0 million barrels per day would still significantly tighten the oil balance over the summer, even when OPEC+ increases production.

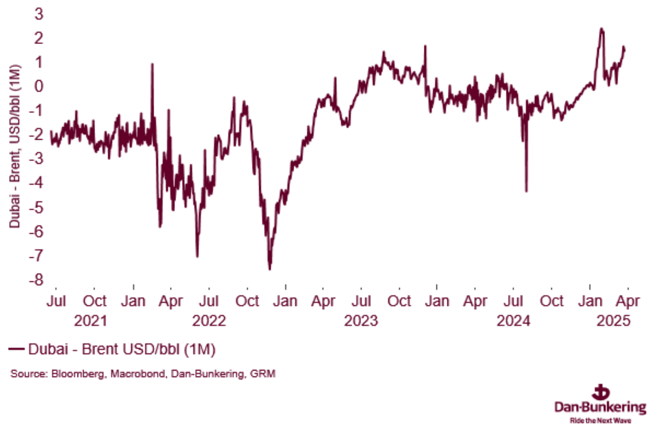
Notably, the stepped-up sanctions on Iran come after Israel's new bombings in Gaza and the US-led attack on the Houthis in Yemen. For the oil market, the key question is whether the attacks increase the likelihood of a US or Israeli strike on Iran. We still believe it is unlikely, but it does raise the chances that the United States will fully implement its "maximum pressure" strategy against Iran.

The sanctions on Iran and Russia are visible in the market. As discussed in the latest issue of the Weekly Market Report, they explain some of the strengths in the HSFO market. However, they are also reflected in the expensive Dubai-Brent spread. In our view, the high price of Dubai oil suggests that Asian buyers are seeking alternatives to the sanctioned Iranian and Russian oil, such as oil from the Middle East.

US tries to diminish the Iranian oil export that mainly goes to China, mb/d



The Dubai-Brent spread has widened (swap-based), USD/bbl



2. Buy oil from Venezuela, and we will put a 25% tariff on your country says Trump

For Trump, tariffs and duties are the best words in the dictionary, and apparently, there are no limits to the problems one can solve or goals one can achieve using them.

Yesterday, Trump announced that countries which buy oil from Venezuela will be subject to a 25% tariff on goods they sell to the US. The 25% increase comes in addition to any existing punitive tariffs. The plan is for these, along with many others, to take effect on April 2.

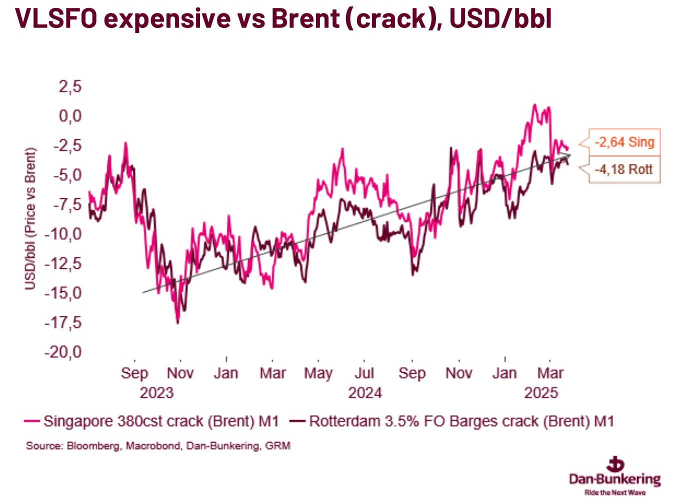
Venezuela's total oil exports reached approximately 0.75 million barrels per day in February. Part of this export has already disappeared due to Chevron's forced exit from Venezuela. However, if the plans are implemented in tandem with tightened sanctions on Iran, we will be looking at a tight market in Q2 and Q3, which we have long warned about.

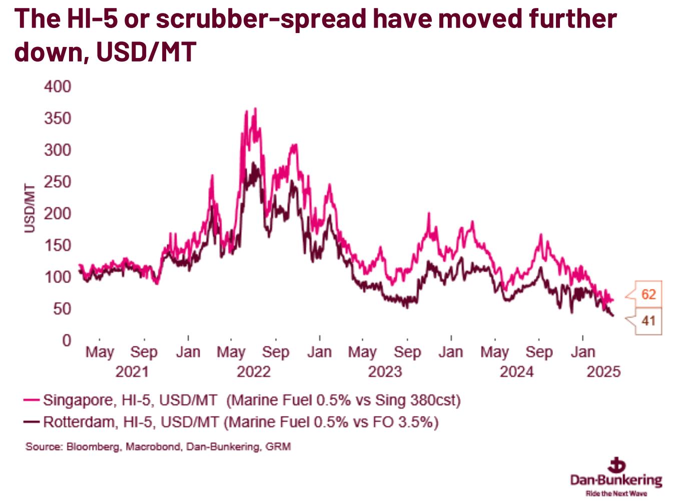
Venezuela primarily exports a heavy, sour crude oil, which is currently in high demand. US refineries are already affected by 10% and 25% tariffs on energy imports from Canada and Mexico. This decision, therefore, results in higher prices in the US, as Venezuela is no longer an alternative.

The decision to target Venezuelan heavy sour crude oil exports also contributes to a further tightening of the "residual oil" supply in the market. This sets the stage for even more expensive

HSFO (3.5%) ahead of peak summer demand for power generation in the Middle East, as well as for bitumen (asphalt).

At the same time, the market is flooded with cheap VLSFO, and yesterday we saw a new drop in the so-called HI5 or scrubber spread (the difference between VLSFO and HSFO) to around USD 40 – a halving since the beginning of the year.





3. OPEC+ plan for compensation cuts

Last Thursday, OPEC+ unveiled a new plan for the eight countries that have exceeded their quotas within the cartel. Kazakhstan, Iraq, and Russia are among the most significant quota violators. The countries have pledged to deliver so-called compensation cuts through June next year.

If implemented, these will, during the summer, outweigh the OPEC+ production increase that will be phased in over 18 months starting 1 April.

This is not the first time a compensation plan has been announced, and it is unlikely to be fully upheld this time, either.

However, even if only half of the cuts are delivered with declining Iranian and Venzuelean oil exports, the market could be heading for tight conditions over the coming six months, increasing the upside risk for oil prices over the summer.

The OPEC+ plan is, for example, to add 138,000 barrels per day more in April and the same extra amount in May. The compensation cuts are 249,000 barrels per day in April and 309,000 per day in May.

Price forecast

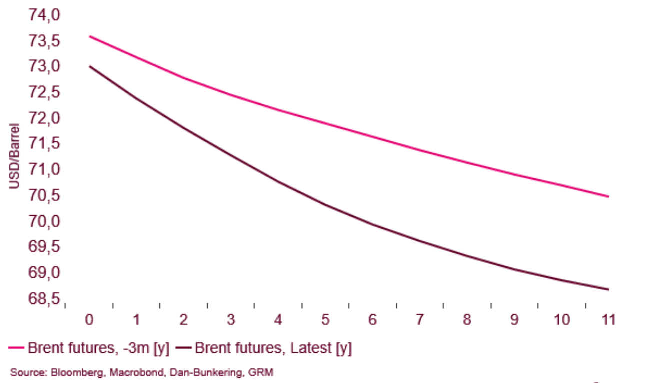
	Spot	Q1 2025	Q2 2025	Q3 2025	Q4 2025	avg. 2025
Brent, USD/bbl	73,5	75	73	72	72	73
ICE Gasoil, USD/MT	679	719	700	708	693	705
HSFO (1M 3.5% Rotterdam Barge), USD/MT	436	454	432	419	413	429
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	477	505	483	476	476	485

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

Overview Charts:

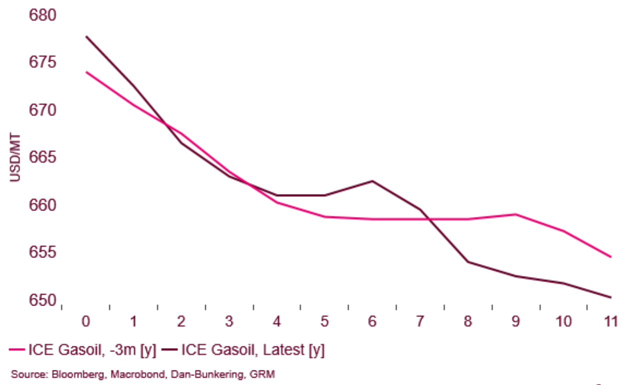
Brent oil

Brent forward curve, indicative prices

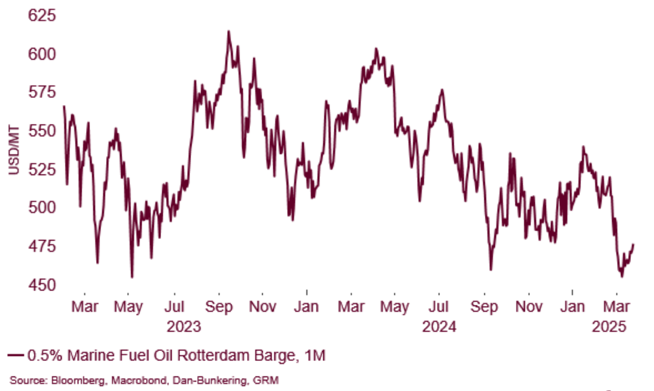


ICE Gasoil

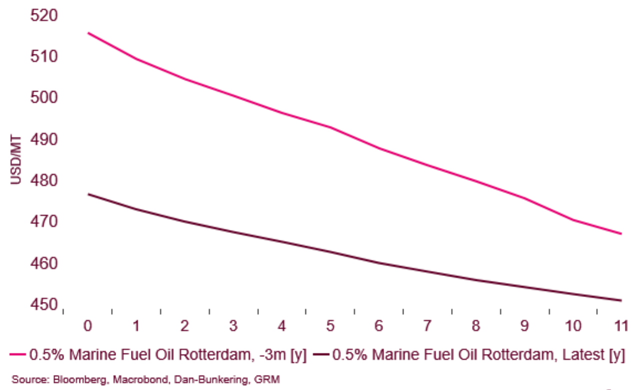
ICE Gasoil forward curve, indicative prices



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