Dan-Bunkering

Ride the Next Wave

Weekly Market Report

August 25, 2026

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

Bunker Port Brief

Singapore

	VLSFO	HSFO	MGO
Availability	■■■□□	■■■□□	■■■□□
Days of notice	14	10	8
Demand	■■■□□	■■■□□	■■■□□

ARA

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

Overall slow demand, making suppliers offering low levels.

We are seeing tighter avails on all fuel oil grades.

Fujairah

	VLSFO	HSFO	MGO
Availability	■■■■□	■■■□□	■■■■□
Days of notice	3	2	2
Demand	■■■□□	■■□□□	■■■□□

The Middle East bunker market stayed weak over the past week, with Fujairah seeing persistently soft spot demand. Both LSFO and HSFO remained slightly tight on supply (HSFO tighter), keeping replenishment costs elevated and margins squeezed, even as delivered premiums stayed capped by weak buying interest. Availability across all grades was good for the week starting August 17, with prompt avails throughout.

Panama

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

Cristobal/Balboa - both sides are ok with avails.

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Durban

	VLSFO	HSFO	MGO
Availability			
Days of notice	5-7	8-12	5-7
Demand			

Regular demand the last week has improved morale amongst suppliers; VLSFO levels are competitive to regional ports and make sense for bunker top-ups for vessels working cargo. HSFO remains tight with only one supplier with avails and this has narrowed the HiLo spread to almost single digits.

Port Louis

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

Tepid demand remains in the region, as uncertainty mounts regarding the ME continuing troubles. Lower levels in alternate nearby ports put pressure on levels, and this mounted with tightening replenishments, means Port Louis is not as favoured currently as other options for clients.

Walvis Bay

	VLSFO	HSFO	MGO
Availability			
Days of notice	8-10	10-14	7-8
Demand			

Extremely competitive pricing in Walvis Bay is making it the most attractive bunkering location in the African region currently. Good VLSFO avails and dropping premiums means the port is seeing good volume with more vessels transiting the Cape of Good Hope. Even with supply still remaining at anchorage due to the weather conditions, this is currently an excellent location for bunkering.

Gibraltar

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

Barges schedule getting tight and Giboil having her barge on repairs between 29/08-08/09.

Malta

	VLSFO	HSFO	MGO
Availability			
Days of notice	5-7	N/A	5-7
Demand			

Still same situation with the loading terminal.

Houston

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

Some tightness around prompt VLSFO due to barge congestion through end of the month. Outlook on avails is fine. Do not expect prolonged avails issues. Avails September 1st onward are ok.

Hurricane season runs through end of October. Please consider potential weather delays when booking new order in the US Gulf.

In this issue of the Weekly Market Report, we provide an overview of developments in the oil and bunker markets over the past three months and present updated oil and bunker forecasts based on the assumption that the Strait of Hormuz will remain closed for the rest of the year, or "closed for longer". We assume a gradual normalisation starting in Q1 2027.

Oil and bunker market update: The Strait of Hormuz may be "closed for longer"

The oil and bunker markets have seen volatile months since hopes of a peace agreement gained momentum with the Memorandum of Understanding signed in mid-June. Initially, sentiment swung between expectations of an imminent peace agreement and reopening of the Strait of Hormuz, and fears of renewed fighting and further escalation.

However, hopes of an imminent peace agreement suffered a severe blow when the US resumed military strikes against Iran on 7 July. The US argued that attacks on commercial shipping breached the MoU. Iran subsequently suspended the agreement, and the 60-day negotiating window has now expired without a broader agreement.

More recently, President Trump has said that no negotiations with Iran are planned, while Iran insists that the Strait of Hormuz remains closed until the US meets several of its demands.

The market narrative has therefore changed significantly. Rather than asking when the Strait will reopen, the market increasingly has to consider a **"closed for longer"** scenario.

US shifts the focus back towards sanctions

The latest development is a shift in the US strategy away from another major military offensive and back towards economic pressure.

US Treasury Secretary Scott Bessent had promised what he called the toughest sanctions ever imposed on a country. The measures announced this week were, however, less dramatic than the rhetoric suggested.

The US sanctioned another 60 individuals, companies and vessels and warned countries doing business with Iran that they could ultimately lose access to the US financial system. However, Washington stopped short of immediately targeting major Chinese banks and other institutions facilitating Iranian trade. This is important because China remains by far the most important buyer of Iranian oil, and Iran has decades of experience circumventing sanctions.

The relatively modest market reaction was telling. Brent dropped marginally when the new sanctions were announced and is currently trading around USD 91. At the same time, Iran has promised to retaliate against the new measures. Hence, the sanctions do little to increase the probability of an imminent reopening of the Strait.

Some crude is moving, but Hormuz remains far from normal

There has been considerable debate about how much oil is actually moving through the Strait.

The US administration says that escorted flows have increased substantially. However, independent vessel tracking continues to show much lower commercial traffic. Recent data have shown only single-digit numbers of commodity vessels passing through the Strait on some days. But little doubt that some crude is getting through, but the Strait is far from functioning normally.

This distinction is important. Crude oil producers have some alternatives. Saudi Arabia and the UAE can bypass part of the Strait through pipelines, while high crude discounts can compensate buyers willing to accept the additional risk and cost of moving cargoes through Hormuz. For refined products, however, the alternatives are much more limited.

Diesel, gasoil, MGO may be the real energy chokepoint

In fact, crude oil may no longer be the biggest problem in the energy market. The real chokepoint is increasingly refined products, particularly diesel, gasoil, jet fuel and marine gasoil.

The latest IEA Oil Market Report shows that global refinery throughput remains almost 5 mb/d below last year's level. The closure of Hormuz has restricted product exports from the Middle East, while Ukrainian attacks on Russian refineries have added another source of disruption. At the same time, Asian refiners have shown little appetite for significantly increasing exports.

The result has been exceptionally strong refinery margins. The benchmark European gasoil crack has risen from around USD 20 to 25 per barrel before the war to around USD 80.

For the bunker market, this matters because tight distillate markets directly affect MGO and can also spill over into VLSFO through competition for blending components. Hence, even if Brent falls following a reopening of Hormuz, bunker prices and particularly distillate-related products may not fall by the same amount.

Inventories are increasingly important

Another major change since the early stages of the war is the depletion of inventories.

According to the IEA, global observed oil inventories had fallen by around 410 million barrels between the start of the war and the end of July. The IEA now estimates a global oil market deficit of around 1.8 mb/d in the third quarter. This means that the market has gradually lost one of the buffers that helped absorb the initial supply shock.

Consequently, even a reopening of the Strait would not immediately normalise the market. Inventories need to be rebuilt, production needs to restart and damaged refinery capacity has to return. Crude oil and refined products then have to be transported to consumers in Asia and Europe.

Price outlook based on the Strait remaining closed for the rest of 2026

We expect oil prices to remain in the USD 80 to 100 range in the third and fourth quarters, assuming the Strait of Hormuz stays closed, though we assume somewhere between 3-7 mb/d of seaborne crude oil coming out of the Strait of Hormuz, primarily from tankers going dark and STS transfers.

In the first and second quarters of 2027, we should see inventories begin to rebuild, putting downward pressure on oil prices, as the Strait reopens in our main scenario.

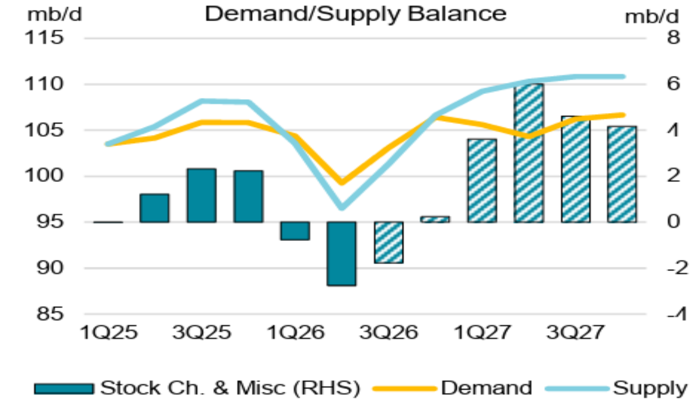
The latest IEA numbers support the view that supply should improve significantly in 2027. Global oil supply is forecast to rebound strongly as Middle Eastern production gradually returns and output outside the region continues to grow. OPEC+ is also gradually increasing quotas. Iraq is pushing for a significantly higher production quota, while Kazakhstan has repeatedly demonstrated its willingness and ability to produce above agreed levels. UAE has left OPEC and one may argue that the cartel is no longer effective in controlling prices if we have an oversupplied market in 2027 and 2028.

At the same time, high prices are taking a toll on consumption. The IEA currently expects global oil demand to decline by 1.6 mb/d in 2026 before recovering in 2027. Hence, our longer term view remains more bearish. Once Hormuz reopens, inventories start rebuilding and Middle Eastern production returns, the oil market could again face downward pressure.

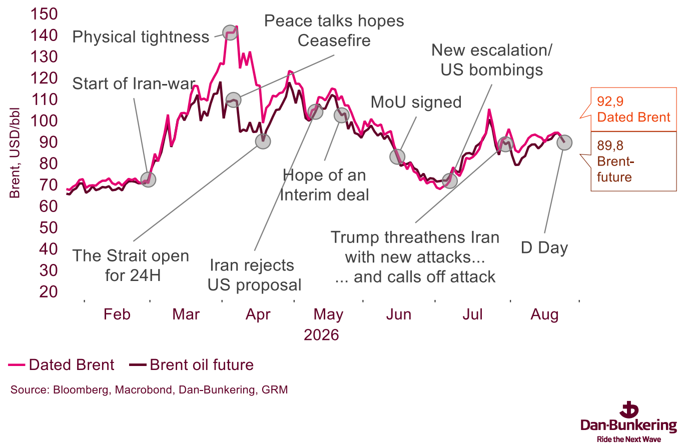
The key uncertainty is timing.

The risk is no longer merely a few weeks' delay in reopening. The latest political developments increasingly point towards a scenario where the Strait remains severely restricted for a considerably longer period. There is even a scenario where the Strait never returns to its pre-war status.

IEA forecasts a supply overhang in 2027, but it is based on a reopening of the Strait in Q3, which is questionable



Brent is back trading around USD 90



Bunker market: Support to VLSFO market and an elevated Hi5/scrubber-spread

Bunker prices remain elevated, although the extreme availability concerns seen earlier in the war have eased. Physical availability in Singapore has certainly improved compared to March an April, but port premiums remain higher than before the war. Inventories remain below prewar levels and the market is still vulnerable to disruptions in Middle Eastern supply.

VLSFO remains particularly expensive relative to both Brent and HSFO. The VLSFO crack has increased significantly since the beginning of the war, particularly in Singapore. VLSFO is a blended product and therefore competes for many of the same feedstocks and blending components as the exceptionally tight distillate market. High gasoil and diesel cracks are therefore also supporting VLSFO.

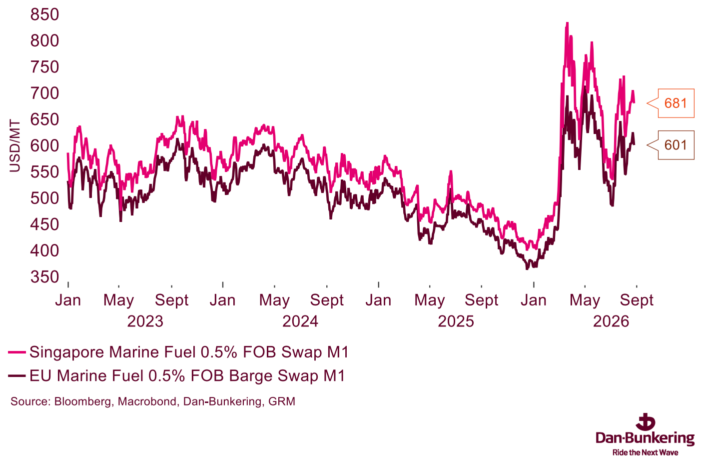
The strength has been particularly pronounced in Asia. Reduced supplies of low sulphur fuel oil from the Middle East, combined with disrupted trade flows through the Strait of Hormuz, have tightened the Singapore market. Singapore fuel oils consequently continue to trade at a premium to ARA.

HSFO has performed considerably better from a supply perspective. High refinery runs generate more residual fuel oil, while HSFO depends far less on expensive distillate blending components. This divergence between VLSFO and HSFO pushed the Singapore HI5, or scrubber spread, higher during July and early August. The spread has narrowed over the past couple of weeks, but remains wide.

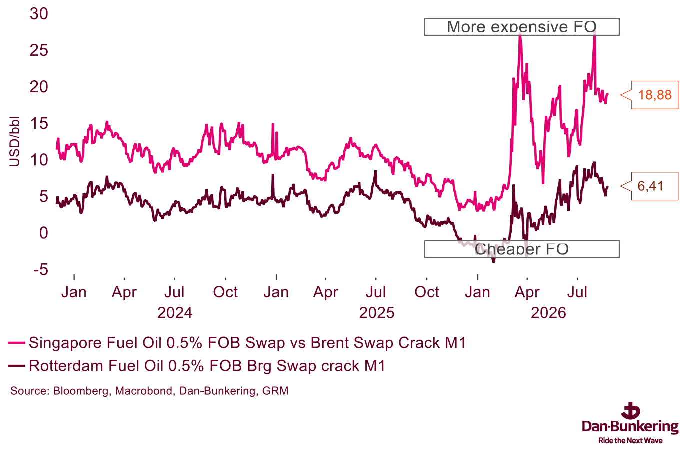
MGO remains the most expensive conventional marine fuel, as the underlying distillate market remains extremely tight. Reduced Middle Eastern exports, disruption to Russian refinery production and low inventories continue to support diesel, gasoil and MGO cracks. Hence, our view remains that **VLSFO and particularly MGO are more exposed to the current energy**

chokepoints than HSFO. As long as the Strait of Hormuz remains severely restricted and the global distillate market stays tight, we expect HI5 spreads to remain well above pre-war levels. See the charts and our oil and bunker forecasts below and on the next two pages.

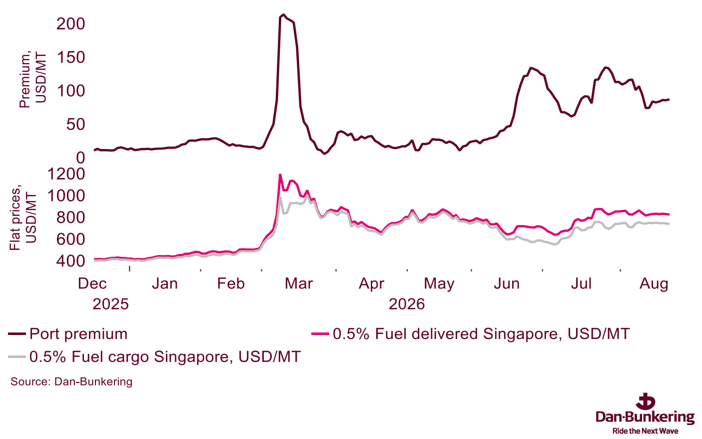
VLSFO prices remain elevated, USD/MT



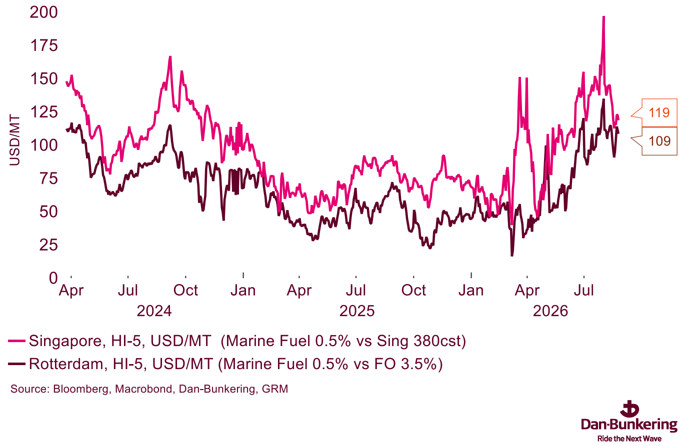
VLSFO cracks have risen, notably, in Singapore, USD/bbl



Port premium higher (diff. Cargo vs Delivered price), VLSFO Singapore, USD/MT



HI-5/scrubber spreads(M1) have move higher ove the summer, though some recent setback, USD/MT



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

	Spot	Q3 2026	Q4 2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	avg. 2026	avg. 2027
Brent, USD/bbl	90,1	90	84	73	73	73	73	87	73
ICE Gasoil, USD/MT	1237	1226	1185	1028	879	879	842	1098	954
HSFO (1M 3.5% Rotterdam Barge), USD/MT	495	518	483	406	406	419	419	509	413
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	601	614	572	495	489	489	489	580	491
EUA spot, EUR/MT	84	84	92	93	94	95	96	82	95

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

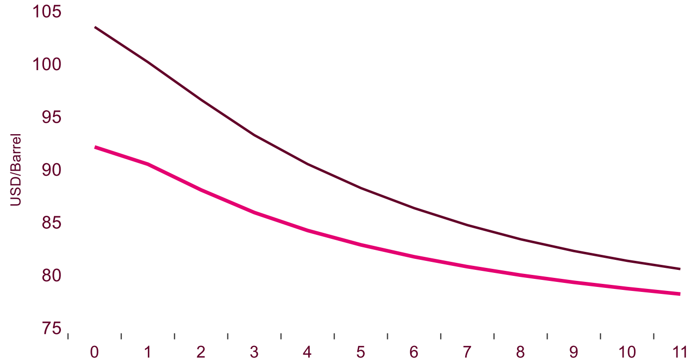
Overview Charts:

Brent oil

—Brent future, 1st position

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

Brent forward curve, indicative prices



—Brent futures, Latest [y] —Brent futures, -3m [y]

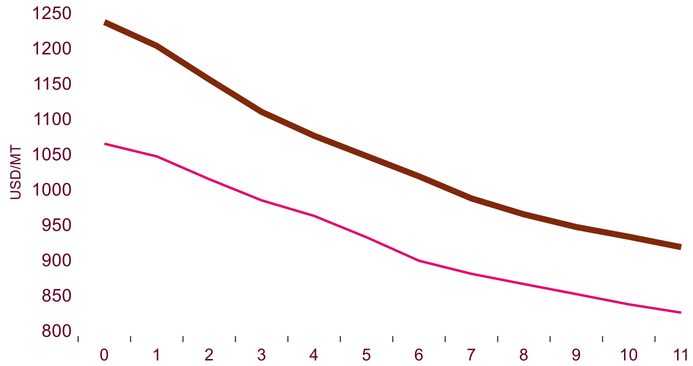
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

ICE Gasoil, 1. Pos.

—ICE Gasoil, 1st. position

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

ICE Gasoil forward curve, indicative prices



—ICE Gasoil, -3m [y] —ICE Gasoil, Latest [y]

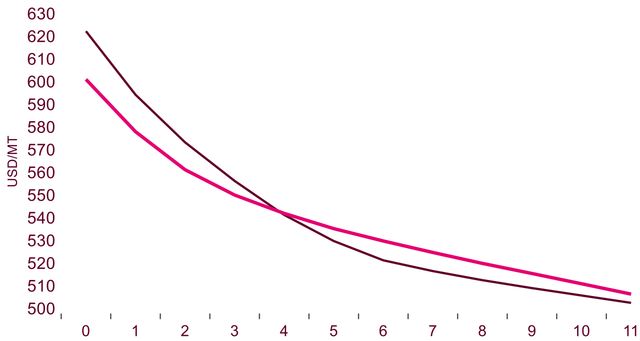
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

0.5% Marine Fuel Oil Rotterdam Barge, M1

—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



—0.5% Marine Fuel Oil Rotterdam, Latest [y] —0.5% Marine Fuel Oil Rotterdam, -3m [y]

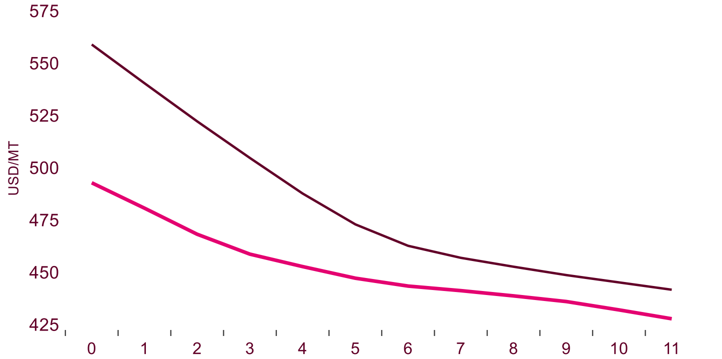
Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

Rotterdam 3.5% Barge

— 3.5% Rotterdam Barge, 1M

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

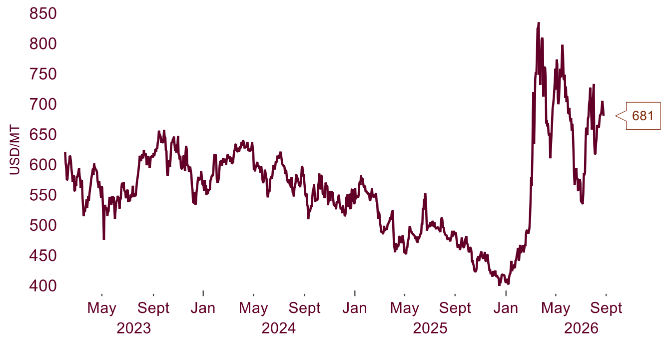
Rotterdam 3.5% Barge forward curve, indicative prices



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

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

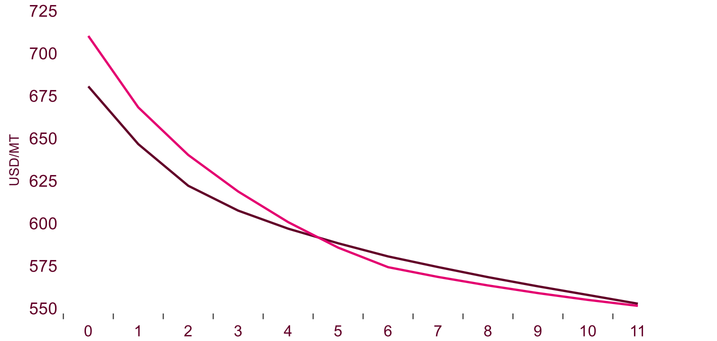
Singapore FOB 0.5% Marine Fuel Oil swap 1M



— Singapore FOB 0.5% Marine Fuel 1M

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

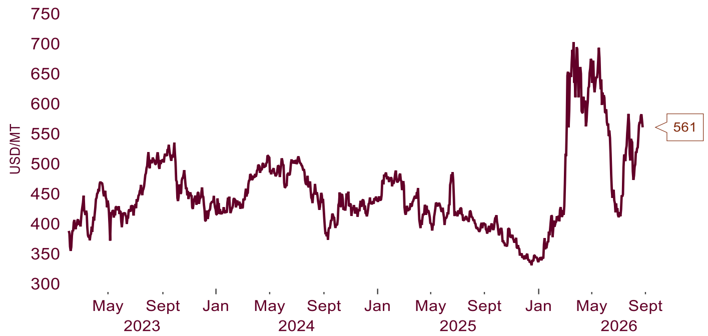
Singapore FOB 0.5% Marine Fuel Oil swap forward curve, indicative prices



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

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

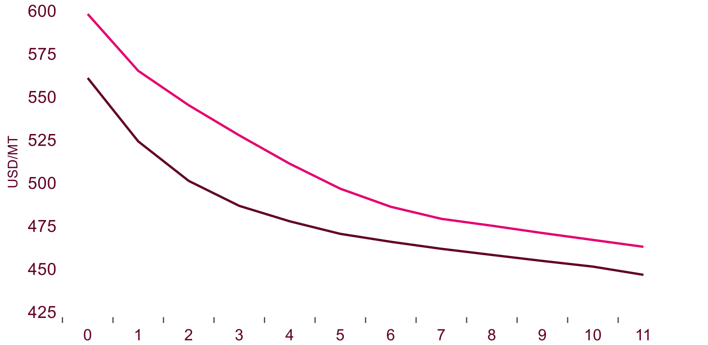
3.5% Singapore 380 CST FO swap, M1



— 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