Dan-Bunkering
Ride the Next Wave

Weekly Market Report

September 8, 2026

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

Bunker Port Brief

Singapore

	VLSFO	HSFO	MGO
Availability			
Days of notice	13	8	6
Demand			

ARA

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

Avails still a bit limited, demand has picked up but we see suppliers very aggressive with prices.

Fujairah

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

The situation in the Strait remains broadly unchanged. We are seeing a slight uptick in demand, primarily driven by increased tanker movements in and out of the Strait. However, underlying demand remains slow.

All grades remain well supplied, although we expect premiums may edge slightly higher this week following the recent regional escalations.

Panama

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

Monday was a National Holiday Labor Day.

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Durban

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

Tight avails on HSFO; with demand low. Port Elizabeth avails OK and bunker only demand there busier than bunkers in DBN.

Port Louis

	VLSFO	HSFO	MGO
Availability	■■□□□	■□□□□	■■□□□
Days of notice	8-12	12-15	6-9
Demand	■■■□□	■□□□□	■■□□□

Extremely tight avails across the board for all grades; with replenishment dates very much up in the air and on an ad-hoc basis.

Walvis Bay

	VLSFO	HSFO	MGO
Availability	■■□□□	■□□□□	■□□□□
Days of notice	10-14	12-16	5-9
Demand	■■■■□	■■□□□	■■■□□

As with most bunker ports in the region, tight avails remain, with some suppliers unsure of exact replenishment dates.

Premiums are pushing up because of this, however Walvis Bay still remains competitive compared to other areas, for those who do have product in hand.

Skaw

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

Subdued market so far owing to continuing high prices.

In this issue of Weekly Market Report, we discuss the recent geopolitical escalation and the impact on crude, gas oil, MGO, and bunker fuel oil.

Geopolitics and macro: "Closed for longer" is becoming increasingly difficult to reverse

The geopolitical picture has deteriorated again over the past few days. The conflict has returned to a blow-for-blow exchange between the US and Iran, while the risk to shipping and energy infrastructure across the Gulf has increased.

Most importantly for energy markets, there are still very few signs of a normalisation of traffic through the Strait of Hormuz. Iran is now planning an exclusion zone in the Gulf and a new controlled route through Hormuz.

This does not mean that Hormuz is completely closed. Oil is still getting through using STS techniques, with vessels turning off AIS transponders. But it strengthens our "closed for longer" narrative: Iran has shown that it can keep traffic at very low levels without physically blocking every vessel. Security concerns, insurance, sanctions and the risk of another attack are enough to keep many shipowners away.

At the same time, repeated returns to military escalation make a diplomatic solution harder. During the summer, negotiations appeared capable of producing a gradual reopening at several points. Each new round of attacks increases the political cost of concessions for both sides. A reopening remains possible, but it increasingly looks like something that will require a broader political agreement rather than simply a temporary ceasefire.

The conflict is also spreading beyond Hormuz, with the Houthis active this week. Continued attacks on energy infrastructure and shipping underline that the risk is no longer confined to one narrow waterway.

This remains important for the global macro outlook. The war is increasingly becoming more than an energy-market story. Persistently high oil, diesel and natural gas prices feed into inflation expectations and ultimately into bond yields and monetary policy. For energy consumers, the shock can therefore hit in more ways: directly through higher energy costs and indirectly through tighter financial conditions and, down the road, lower growth and weaker global trade.

Crude and products: Crude is fine – diesel and refined products are not

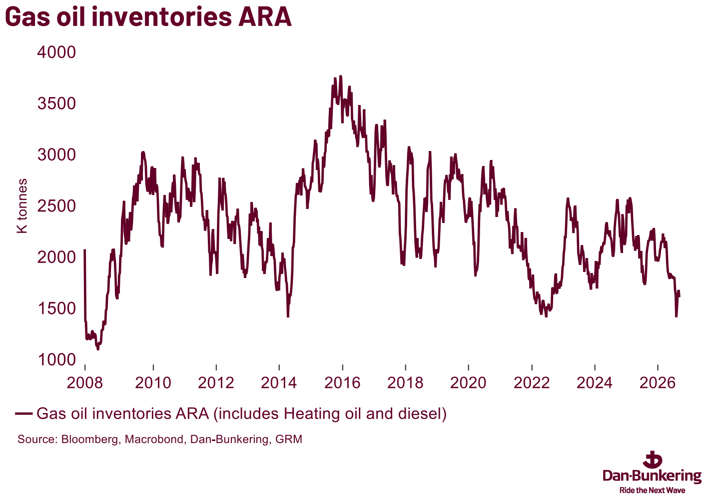
Brent is trading above USD 98/bbl this afternoon, almost 17.5% higher than one month ago. Given the situation in the Middle East, however, another question is perhaps more interesting: why is Brent not already well above USD 100/bbl?

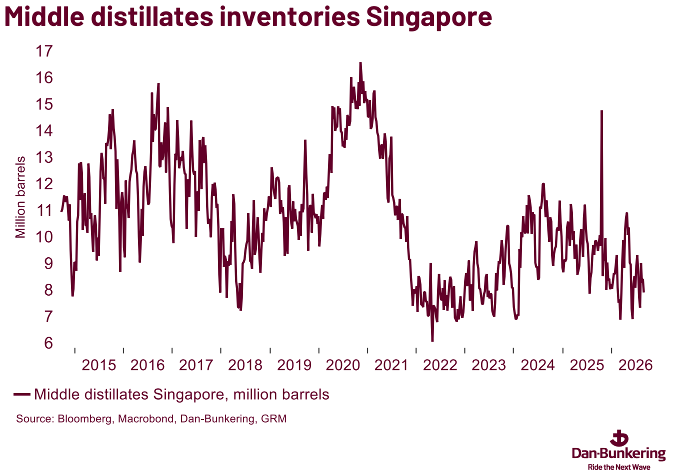
The answer is that the crude oil market has proved considerably more flexible than many expected when the war started. More oil is coming through the Strait of Hormuz, as discussed above. Both the Saudis and the UAE have pipelines in place, and producers outside the Gulf have stepped up production. China is still importing considerably less than before the war. Crude inventories were also relatively comfortable when the war began.

OPEC+ production quotas are irrelevant in the current situation. Several producers are already unable to meet their quotas because of the disruption. Ironically, if Hormuz suddenly reopened and Middle East exports normalised, the market could quickly shift from worrying about insufficient crude to worrying about too much crude.

Hence, crude oil is not currently the biggest physical bottleneck in the oil market. The situation is very different for refined products.

Diesel, gasoil and LSMGO remain the clearest chokepoints. ICE gasoil is trading around USD 1,435/MT today. Inventories in both the US, Asia and Europe remain very low. The gas oil crack therefore remains extraordinarily elevated. This is not a crude-oil problem. It is a refining and product-supply problem.



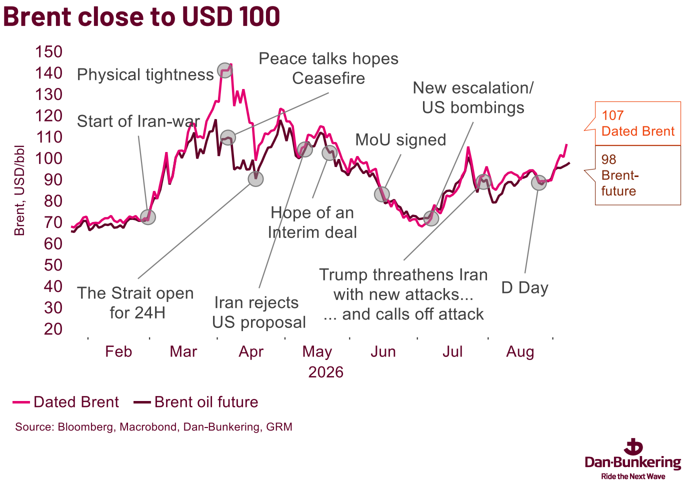


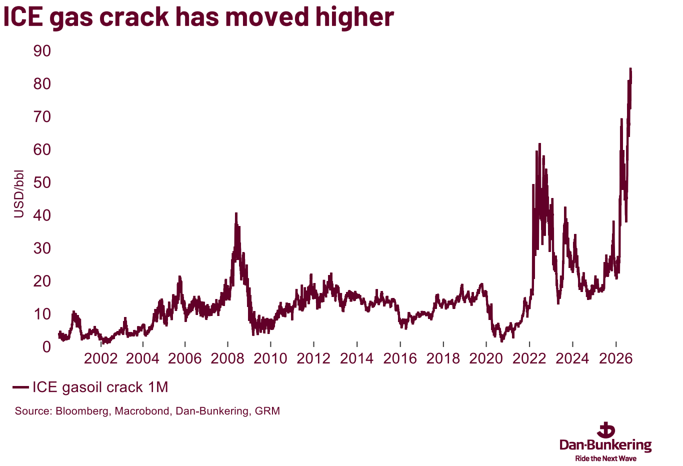
Only a limited amount of refined product is coming out of the Middle East today. More importantly, even if Hormuz reopened tomorrow, some of the lost refinery capacity would still be unavailable. A tanker route can reopen quickly. A damaged refinery cannot.

Russia is adding to the problem. Successful Ukrainian attacks have reduced Russian refinery capacity and contributed to lower exports of diesel and other refined products. Russia has said that diesel exports can resume once domestic inventories have been rebuilt. Given the effectiveness of the Ukrainian attacks, however, that could take months. In our view, there is even a growing risk that Russia becomes a net importer of diesel rather than returning quickly as a major exporter.

The same tightening is increasingly visible in bunker fuels. VLSFO has become particularly expensive, while HSFO has been more stable. Higher distillate and blending-component prices are also feeding into VLSFO, helping push the HI5 spread higher.

That is why diesel, gasoil/LSMGO and increasingly VLSFO are the real oil-market chokepoints – and why a reopening of Hormuz would probably have a much faster bearish impact on Brent than on refined-product prices.



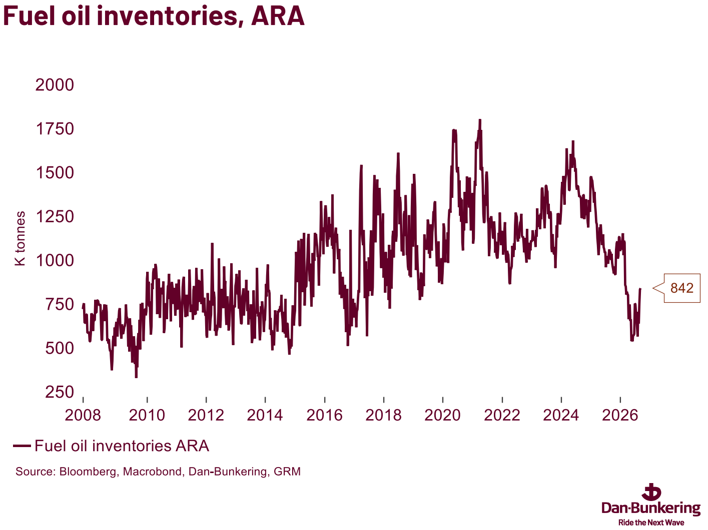


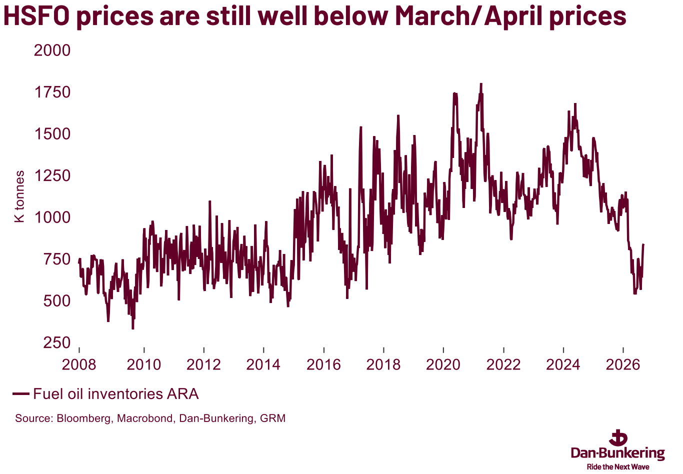
Bunker market: Still strong VLSFO market and elevated HI5

Reuters reported this week that the global fuel oil market is heading for a 218,000 b/d deficit in the third quarter. Inventories in Singapore, ARA and Fujairah are around 30% below the seasonal three-year average.

Middle Eastern fuel oil exports were 45% lower year on year from March through August. The article can be read here: Reuters: Ship fuel shortage looms https://www.reuters.com/business/energy/ship-fuel-shortage-looms-refiners-strained-by-war-favour-other-products-2026-09-07/

Note, though, that we have seen a small rise in fuel oil inventories over the last couple of weeks in both ARA and Singapore.



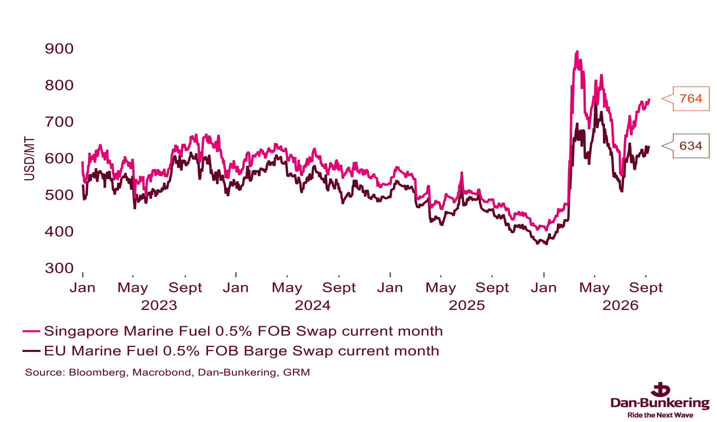


As we have highlighted many times, the VLSFO market in Singapore is under particular pressure, pushing both the HI5/scrubber spread and the East-West spread higher. Competition exists not only for the blending components needed to produce VLSFO, but also for fuel oil itself, which can be used as refinery feedstock to produce higher-value products such as diesel and gasoline. Competition for refinery capacity is therefore spreading the tightness from refined products into the fuel oil market. However, VLSFO remains the most affected segment.

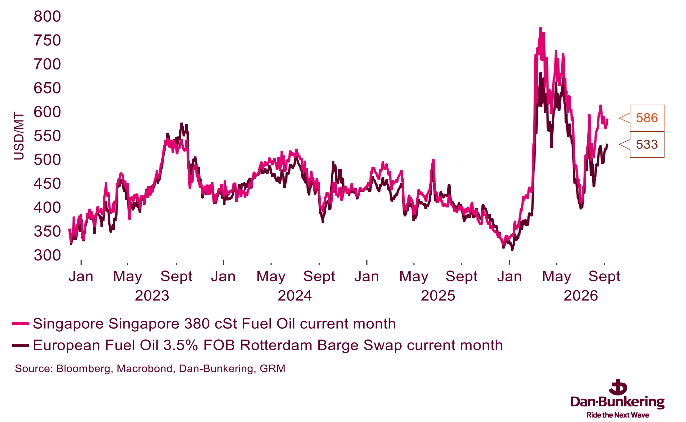
HSFO has performed considerably better from a supply perspective. High refinery runs generate more residual fuel oil, while HSFO depends far less on expensive distillate blending components. This divergence between VLSFO and HSFO pushed the Singapore HI5, or scrubber spread, higher again over the last week. In general we have also seen weaker HSFO demand

The charts below show 0.5% VLSFO and 3.5% HSFO for the balance of the current month (Balmo) in Rotterdam and Singapore.

VLSFO prices remain elevated, USD/MT

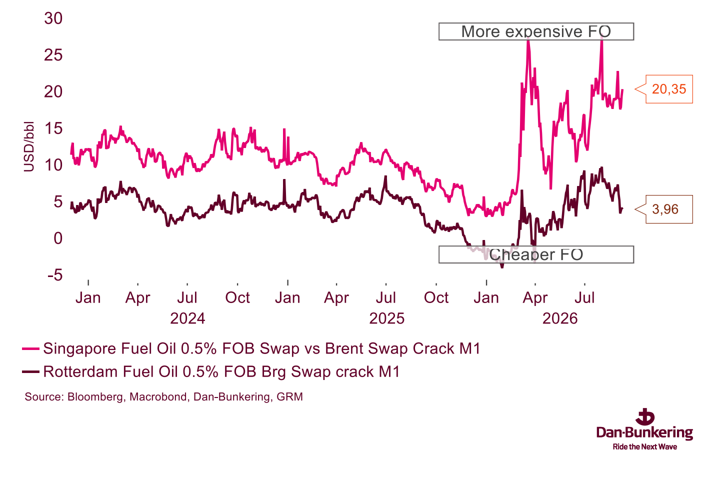


HSFO prices are still well below March/April prices

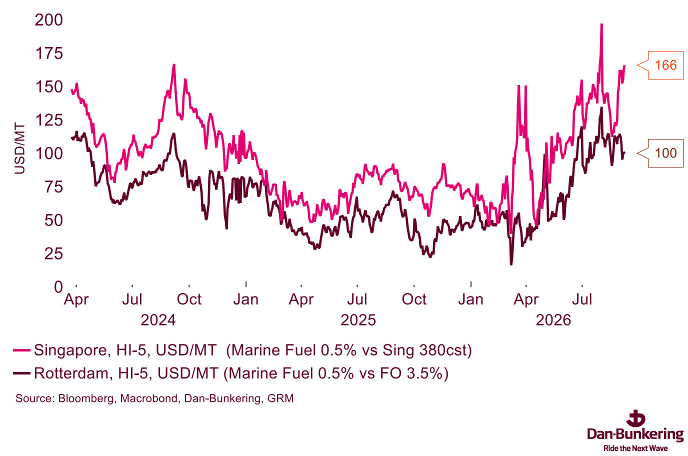


MGO remains the most expensive conventional marine fuel, as the underlying distillate market remains extremely tight, as discussed above. All in all, we still view VLSFO, and particularly MGO, as more exposed to current energy chokepoints than HSFO. As long as the Strait of Hormuz remains severely restricted 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 cracks have risen, notably, in Singapore, USD/bbl



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

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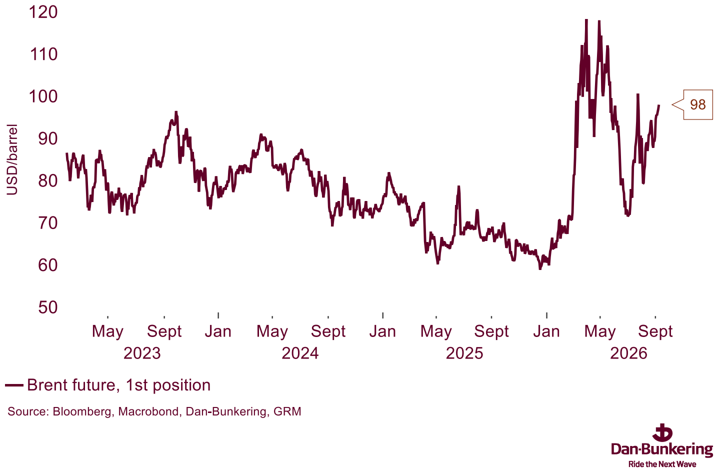
	Spot	Q3 2026	Q4 2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	avg. 2026	avg. 2027
Brent, USD/bbl	98,2	90	87	75	73	73	73	88	74
ICE Gasoil, USD/MT	1436	1226	1204	1043	879	879	842	1103	961
HSFO (1M 3.5% Rotterdam Barge), USD/MT	525	518	500	419	406	419	419	513	416
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	624	614	588	508	489	489	489	584	494
EUA spot, EUR/MT	85	84	92	93	94	95	96	82	95

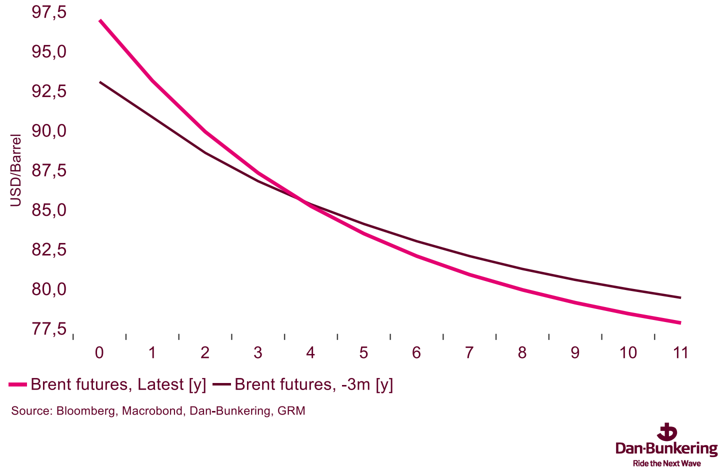
Source: Dan-Bunkering, indicative spot-prices based on Bloomberg 1M fair-value

Overview Charts:

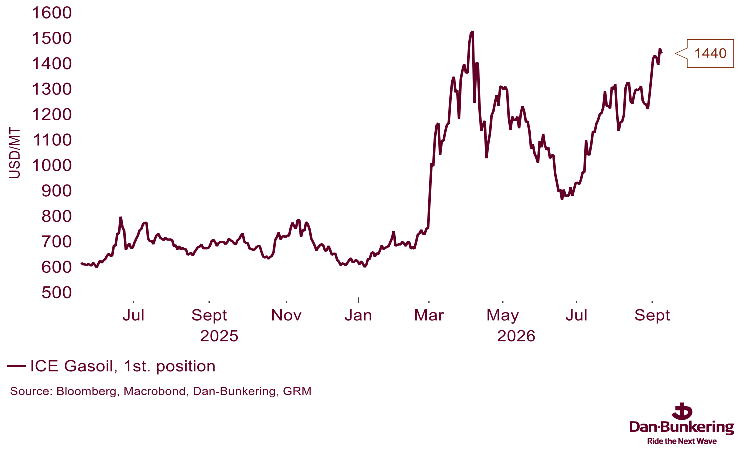
Brent oil



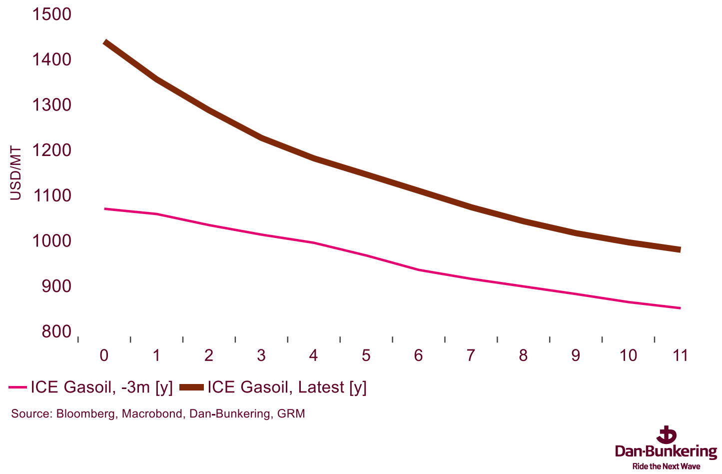
Brent forward curve, indicative prices



ICE Gasoil, 1. Pos.



ICE Gasoil forward curve, indicative prices



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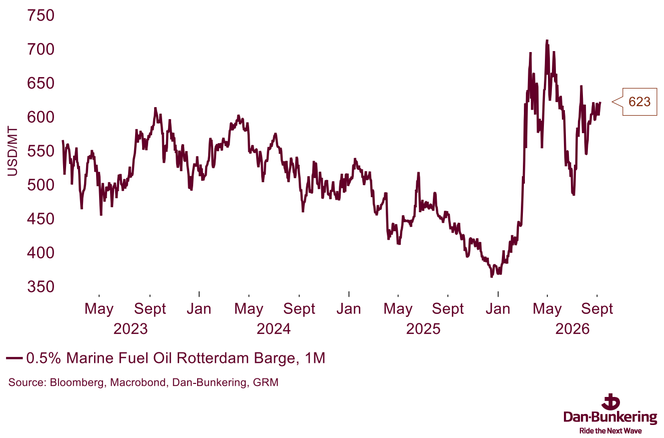
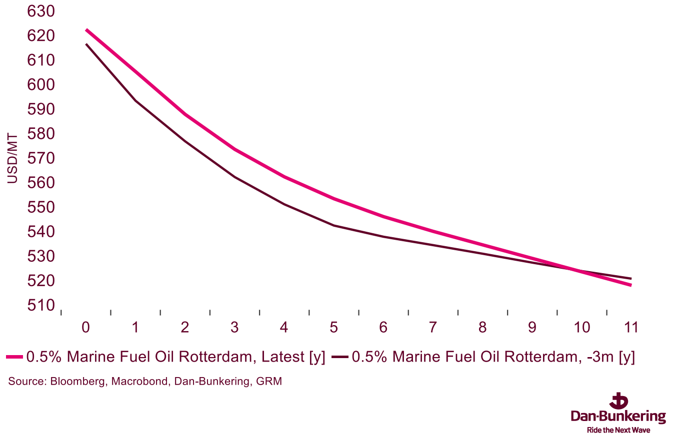
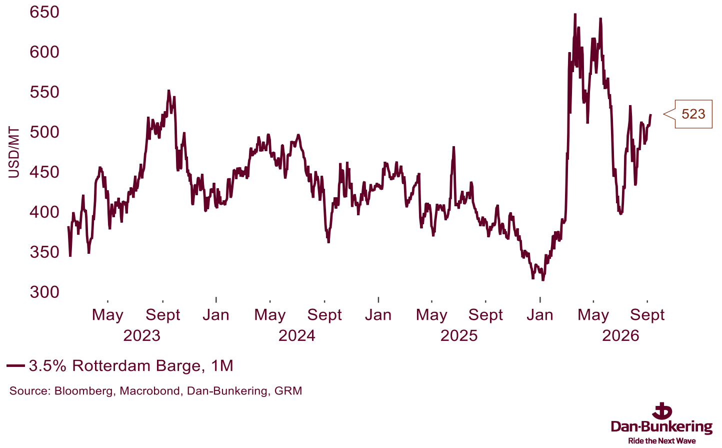
0.5% Marine Fuel Oil Rotterdam Barge, M1



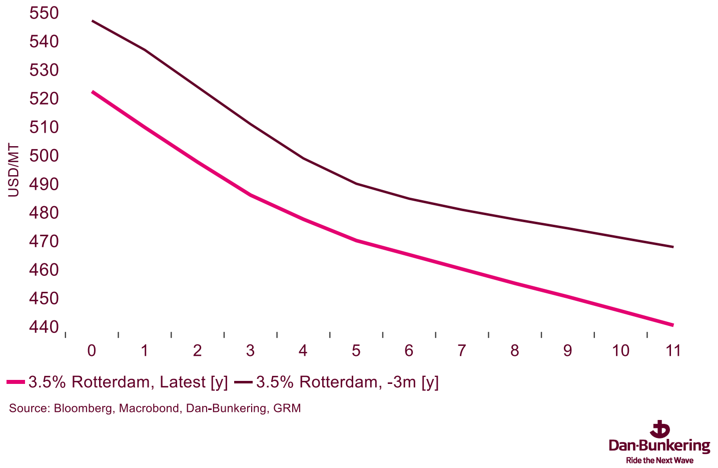
0.5% Marine Fuel Oil Rotterdam Barge Forward Curve, indicative prices



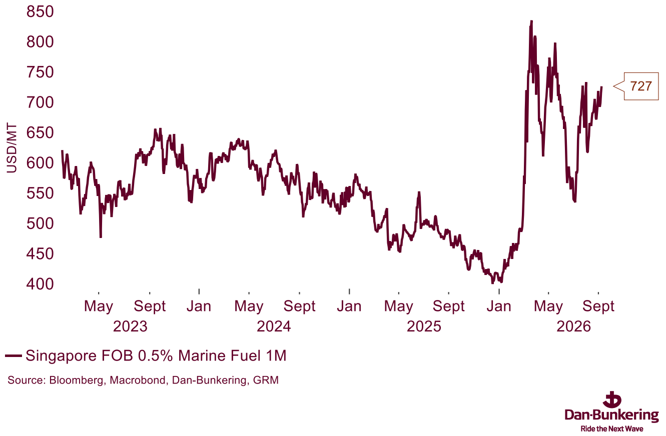
Rotterdam 3.5% Barge



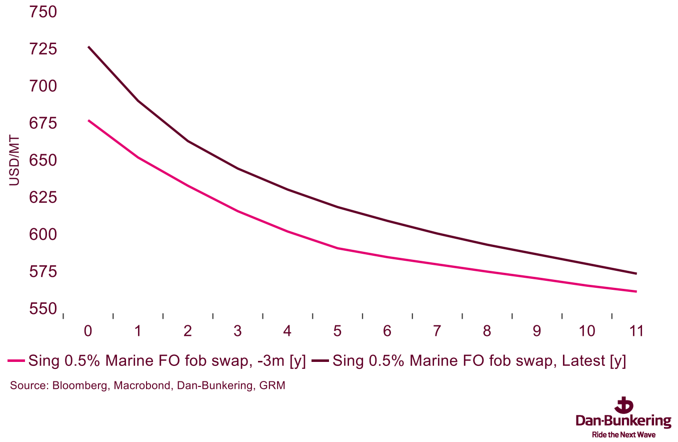
Rotterdam 3.5% Barge forward curve, indicative prices



Singapore FOB 0.5% Marine Fuel Oil swap 1M



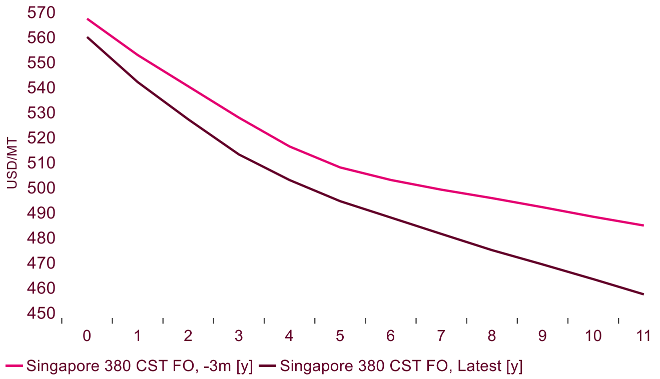
Singapore FOB 0.5% Marine Fuel Oil swap forward curve, indicative prices



3.5% Singapore 380 CST FO swap, M1

Source: Bloomberg, Macrobond, Dan-Bunkering, GRM

3.5% Singapore 380 CST FO Forward Curve, indicative prices



Source: Bloomberg, Macrobond, Dan-Bunkering, GRM