Dan-Bunkering
Ride the Next Wave

Weekly Market Report

January 28, 2025

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	5
Demand			

The Asian LSFO market is expected to see a small uptick over Jan. 27-31 amid anticipation of last-minute nominations and buying interest for advanced refuelling requirements ahead of the Lunar New Year holidays.

The Asian HSFO market remains supported by persistently tighter supplies, particularly following the recent US sanctions on Russia, while the HSFO East/West swaps spread widened to its highest level since May, driven by robust bunkering demand in Singapore.

The Asian LSMGO market is expected to weaken this week, as most demand has already been covered, while Russian export volumes remain steady despite the renewed sanctions.

ARA

	VLSFO	HSFO	MGO
Availability			
Days of notice	3-4	4-5	1-2
Demand			

Seeing usual requests for specific gasoil cold properties as of late, and in general good demand across products. Less backwardation on HSFO, but more so on VLSFO where we can utilize opportunities for smart trading.

Fujairah

	VLSFO	HSFO	MGO
Availability			
Days of notice	4	7	2
Demand			

It has been a very busy period in the mkt across January as buyers fixed their stems before the Lunar New Year, the last week of Jan demand is expected to slow considerably.

HSFO demand remains very strong with earliest lead times at least 7 days out.

VLSFO continues to be oversupplied with plenty of barge avails pressuring pricing.

New York

	VLSFO	HSFO	MGO
Availability			
Days of notice	3	7	1
Demand			

Demand still strong for HSFO from liners, seems to be easing a bit. VLSFO demand is muted as is LSMGO. Weather is less a factor at present as temps have risen, however ice still a factor in the water. With terminal congestion easing on the cargo front, we expect things to normalize in terms of bunker lifting.

Houston

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

Port conditions are improving back to normal levels after tropical storm Enzo backlog has cleared. Avails are still tight through the end of the month across all grades. There are some prompt avails if needed but expect more limited options. Avails for February dates are ok. Intermittent channel closures overnight and into AM hours due to fog should still be expected through February.

Gibraltar

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

The Backlog from last week is no longer affecting current supplies.

There is however issued a warning from the Gibraltar port about strong winds, that might affect supplies.

Malta

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

Bunkering in Area 3 - might open for more areas, depending on weather development.

Port Louis

	VLSFO	HSFO	MGO
Availability			
Days of notice	3	3	3
Demand			

Durban

	VLSFO	HSFO	MGO
Availability			
Days of notice	3	3	3
Demand			

We are seeing a lower demand in Durban due to the high price. Richard's bay seems to be an alternative with levels around 80usd/mt lower than Durban.

Walvis Bay

	VLSFO	HSFO	MGO
Availability			
Days of notice	5	5	3
Demand			

Less tariffs fears, but Trump pressure on OPEC

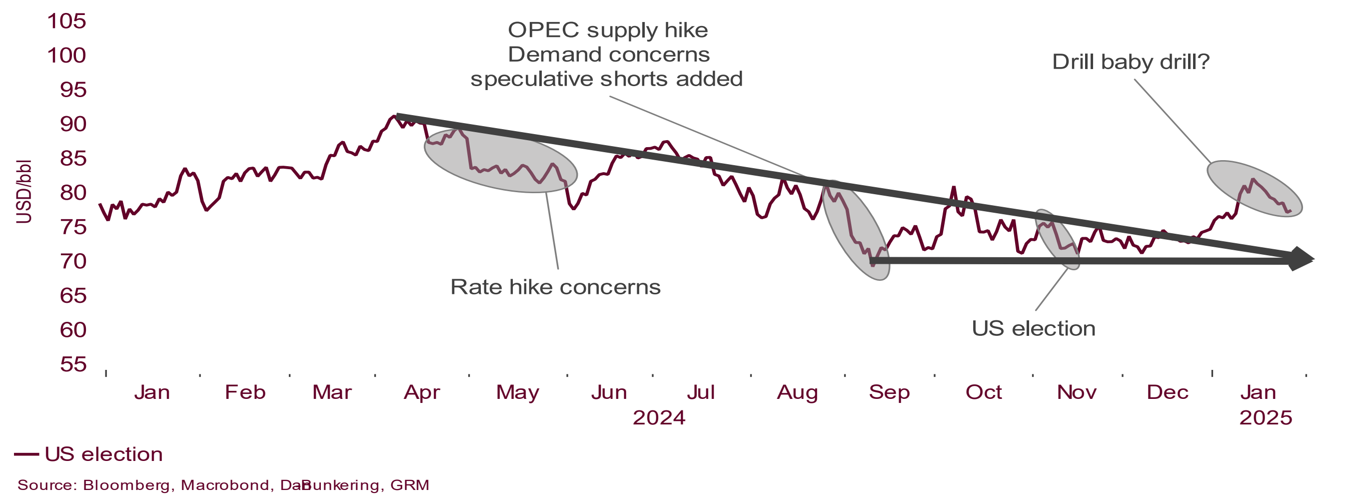
In this issue, we discuss some of the impacts of the Trump inauguration on oil markets. Trump was inaugurated on Monday last week, and Brent is down around 4 USD eight days later.

We have been a bit surprised by the bearish market reaction this week. It may reflect a classic "buy the rumour, sell the fact" reaction - in other words, everything was priced in after the post-Christmas rally. However, last week's news could potentially impact the oil market throughout 2025.

After Trump's inauguration, any presidential decrees or comments on regulatory rollbacks, sanctions and tariffs have set the direction for markets.

We will discuss these three themes in this issue. However, the bottom line is that we have seen nothing this week that has rocked the oil market. Hence, we still see a risk on the upside for oil prices in Q2 and Q3.

Oil prices under pressure after the Trump inauguration



Source: Bloomberg, Macrobond, DanBunkering, GRM

1. **Trump declares a National Energy Emergency, but the impact may be smaller than expected**

In his inauguration speech, Trump declared a National Energy Emergency, aiming to make it easier for the administration to overturn several of Biden's environmental decrees and remove regulations hindering US oil and gas production.

Initially, the market appeared to embrace the narrative that oil production would now accelerate due to reduced regulation in the US, potentially pushing prices lower. Trump successfully shifted the agenda towards drilling rather than sanctions.

However, the ambition to boost US oil production faces substantial challenges. First, financial priorities, not political directives, drive investment decisions. Investors are reluctant to fund new drilling ventures due to past market volatility and the depletion of prime drilling sites. They prefer oil companies to pay dividends rather than spend on uncertain investments. The higher than previously expected interest rate level may also deter investments.

Secondly, Trump can only influence drilling on federal land, not private land.

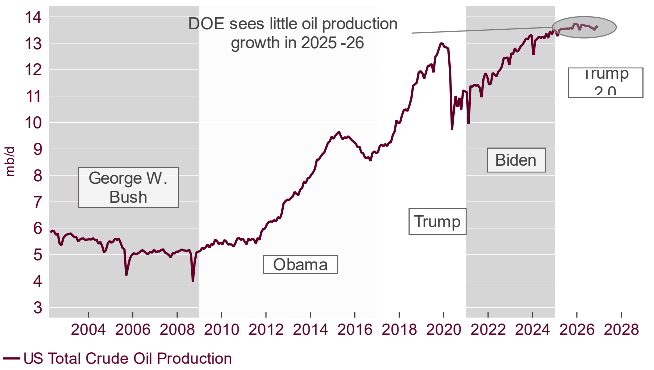
Thirdly, if US oil companies invest heavily, prices may plummet, as seen in 2014 when OPEC increased production or in 2020 when the pandemic drove prices towards zero. Both instances led to numerous bankruptcies. Oil companies recognise this inherent risk in the market and may adopt a cautious investment approach despite Trump's push for higher investment.

Although published before the inauguration, a survey from the Department of Energy suggests modest growth in US oil production in 2025 and 2026. Similarly, the latest Kansas City Federal Reserve oil survey indicates that WTI oil prices need to exceed USD 84 to trigger a significant increase in drilling. Of the oil and gas companies surveyed, only 15% expected to increase spending significantly. 56% expect spending to be unchanged or only increase slightly.

Finally, Trump's call for OPEC to produce more oil introduces an additional layer of risk, which we discuss below.

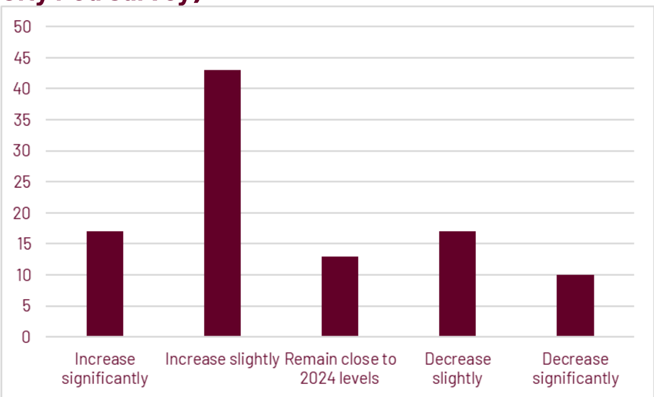
All in all, it isn't very likely that US oil companies will significantly increase US oil production within the next six to nine months if anything is a story for 2026-2028 and beyond.

US Department of Energy sees limited growth in US oil production in 2025-26, mb/d



Source: Bloomberg, Macrobond, Dan Bunkering, GRM

Expectations for your firm's employment levels/capital spending in 2025 vs. 2024 (Kansas City Fed survey)



Source: Bloomberg, Macrobond, Dan Bunkering, GRM

2. Trump put pressure on OPEC to step up production

Last week, oil prices came under pressure due to comments made by Trump in a video interview at the Davos summit, where he stated his intention to put pressure on OPEC to produce more oil. If OPEC does not comply, they will also face tariffs and duties.

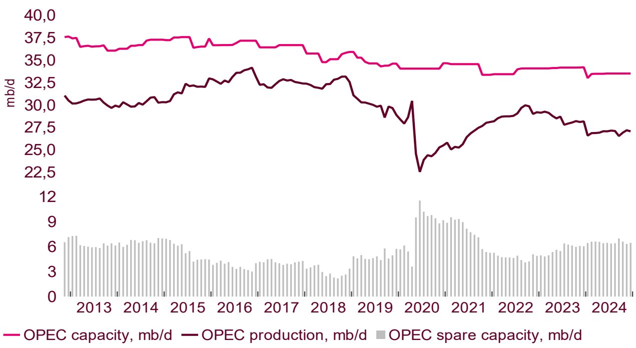
It is the first time since his inauguration that OPEC has been singled out. OPEC has a known plan to increase production starting from April 1. However, this is a very cautious phase-in, and it is unlikely to impact the market significantly.

If Trump continues to involve OPEC, there will be immense pressure, particularly on Saudi Arabia, to deliver more significant production increases as quickly as possible. During Trump's first term as president, he also tried to pressure OPEC to raise output, but with limited success.

We don't see Trump successfully convincing OPEC (read: Saudi Arabia) to produce more oil. The cartel has already laid out plans to return oil to market measuredly. We firmly believe OPEC+ will stick to this plan. If the cartel adds more oil than the plan calls for, it will be a consequence of stepped-up sanctions on Russia, Iran or Venezuela. Hence, total oil production will not rise.

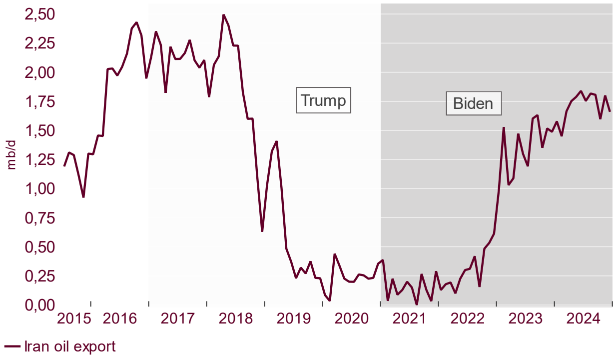
The issue for Trump is that the call for OPEC to add more oil makes it even more uncertain for US producers to step up investments.

OPEC has plenty of spare capacity, but it will hardly be put to work, mb/d



Source: Bloomberg, Macrobond, DanBunkering, GRM

However, OPEC may add more oil if sanctions are stepped-up i.e. on Iran , Iran oil export mb/d



Source: Bloomberg, Macrobond, DanBunkering, GRM

3. Focus on tariffs toned down and Trump open for more sanctions on Russia

Last week's big surprise has been the softer Trump approach to tariffs, not least towards China. The idea of imminent tariffs as high as 60% on China seems no longer relevant. The lower fear of sanctions on China and a subsequent trade war are likely a crucial reason behind the strong performance of global equity markets this week.

Last week, Trump also escalated his rhetoric against Putin, emphasising that lower oil prices are an effective weapon to pressure Russia economically. It appears that Trump has chosen sides and is now more unequivocally supporting Ukraine and sanctions against Russia.

On the one hand, this suggests that the sanctions introduced by Biden shortly before leaving office will remain in place or even be tightened to push Putin to the negotiating table. On the other hand, it seems Trump is willing to go to great lengths to secure a deal, which could mean sanctions are eased later in the year.

However, sanctions on Russian oil exports could support oil prices in Q2 and Q3 this year. If a peace deal is reached later in the year, it may weigh on prices in Q4 and in 2026.

Price outlook: Risk to prices to the upside in Q2 and Q3

Given recent developments - particularly Trump's apparent support for sanctions on Russia, Iran, and Venezuela - there remains a risk that the market could be surprised by the upside, especially in Q2 and Q3.

Hence, we still expect Brent to trade in a USD 72–92 range in 2025. The wide range reflects increased uncertainty and the upside risks associated with sanctions.

The market will likely be sensitive to corrections when trading in the mid-to-high 80s. Brent at those levels could trigger a supply response from OPEC+, potentially prompting the cartel to follow through with its plans to add more oil to the market.

Forecast

	Spot	Q1 2025	Q2 2025	Q3 2025	Q4 2025	avg. 2025
Brent, USD/bbl	77,2	81	85	84	81	83
ICE Gasoil, USD/MT	703	760	805	810	760	783
HSFO (1M 3.5% Rotterdam Barge), USD/MT	445	476	508	493	464	485
VLSFO (1M 0.5% Rotterdam Barge), USD/MT	522	540	559	550	533	546

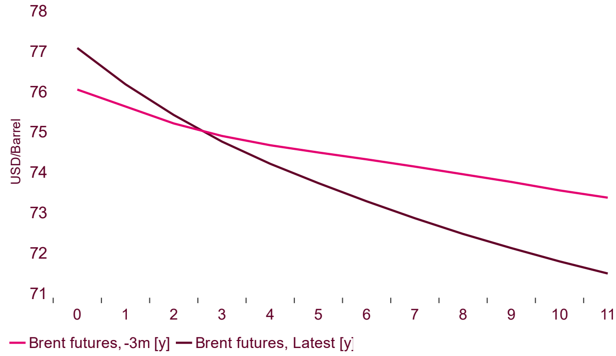
Source: Dan-Bunkering, indicative spot-prices based on Bloomberg 1M fair-value

Overview Charts:

Brent oil

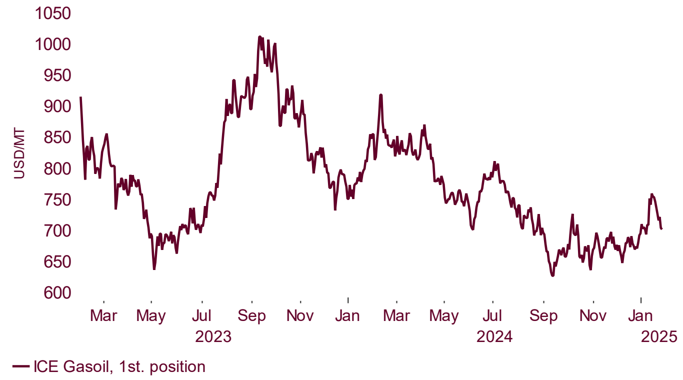
Source: Bloomberg, Macrobond, DanBunkering, GRM

Brent forward curve, indicative prices



Source: Bloomberg, Macrobond, DanBunkering, GRM

ICE Gasoil



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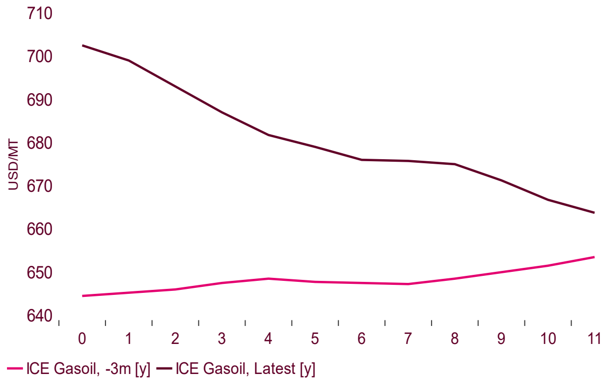
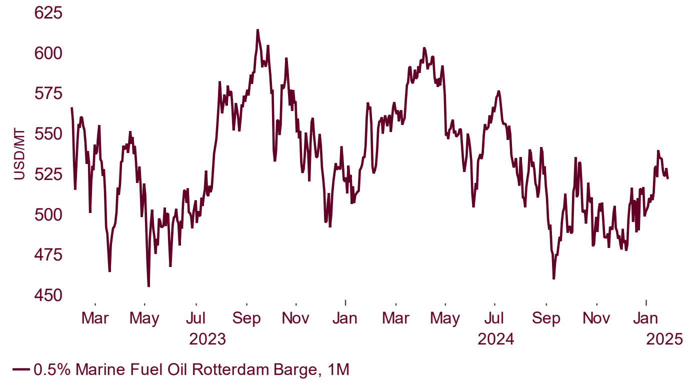
ICE Gasoil forward curve, indicative prices



Source: Bloomberg, Macrobond, DanBunkering, GRM

0.5% Marine Fuel Oil Rotterdam Barge, M1



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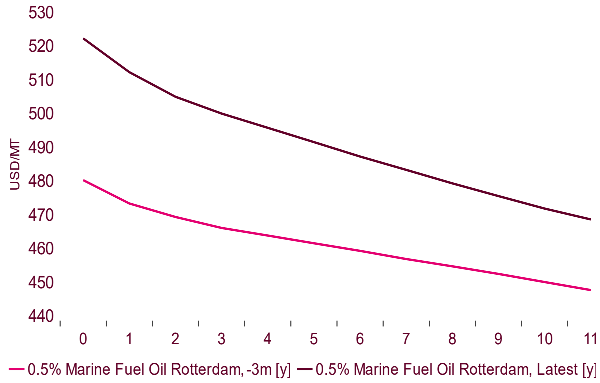
0.5% Marine Fuel Oil Rotterdam Barge Forward Curve, indicative prices



Source: Bloomberg, Macrobond, DanBunkering, GRM

Rotterdam 3.5% Barge

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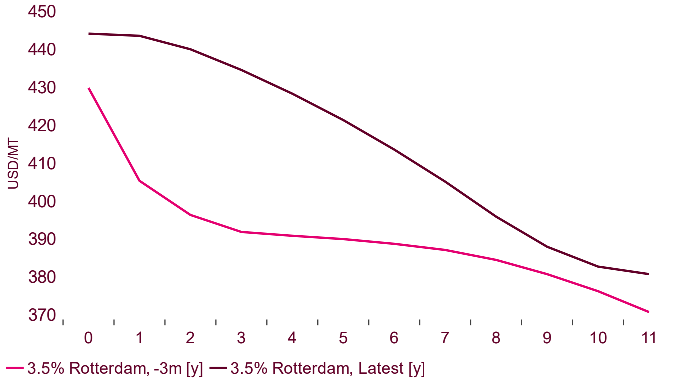
Rotterdam 3.5% Barge forward curve, indicative prices



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