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Argus Marine Fuels Outlook

Global conventional and alternative marine fuels



Overview

Volatile crude values have been a key driver of fuel oil bunker prices in all the major refining regions, and will continue to be in the coming months. Our working assumption is that crude flows from the Middle East will keep recovering through the remainder of this year and into 2027, underpinning our expectations of softening crude prices. Iranian attacks on vessels using the strait of Hormuz have intensified recently, but our base-case scenario is that these attacks will ease and shippers will continue to shuttle volumes through the waterway. While this is a key driver of a softening global fuel oil complex, tight fundamentals should keep crack spreads supported.

Our overall view of global conventional bunker demand is broadly in line with the one that we presented in our previous report. We have now revised up our demand expectation for this year to 262.6mn t, which would be 5.4mn t down on 2025.

In the alternative marine fuels market, Advanced Fame-MGO abatement costs have averaged minus $9.40/tCO2e in October and are expected to stay in negative territory through to the end of the year. B100 prices are expected to fall further as suppliers seek to generate more ZREs to meet their obligations and capitalise on strong ticket demand. ZRE demand is expected to stay firm and could strengthen through the remainder of the year amid concerns over a potential supply shortfall.

Key bunker prices, dob

	Aug 26	Sep 26	Oct 26f	Nov 26f	Dec 26f
3.5%S fuel oil (HSFO) 380cst					*$/t*
Rotterdam	535	591	637	603	565
Singapore	625	698	832	789	611
Houston	474	512	596	588	538
Fujairah	613	685	711	697	589
0.1%S (MGO)					*$/t*
Rotterdam	1,212	1,396	1,365	1,247	1,157
Singapore	1,185	1,312	1,284	1,252	1,186
Houston	1,334	1,476	1,417	1,375	1,313
Fujairah	1,363	1,579	1,675	1,442	1,373
0.5%S (VLSFO)					*$/t*
Rotterdam	647	680	716	625	607
Singapore	781	838	887	847	786
Houston	679	733	765	806	723
Fujairah	798	933	957	909	826
Marine biofuel					*$/t*
B30 Netherlands (Fame Advanced & VLSFO)	894	845	890	755	729
B30 ARA (Ucome & VLSFO)	1,011	1,067	1,010	993	979
B100 Netherlands (Fame Advanced)	1,285	1,223	1,156	967	923
B24 Singapore (Ucome & VLSFO)	967	1,022	1,063	1,040	991
B24 Algeciras-Gibraltar (Ucome & VLSFO)	919	957	965	923	908
Grey methanol					*$/t VLSFOe*
Methanol Rotterdam	902	1,036	1,098	1,115	1,089
Methanol southeast Asia	1,002	1,272	1,318	1,331	1,306
Methanol US Gulf coast	885	1,005	1,076	1,114	1,095
LNG					*$/t VLSFOe*
LNG NWE bunker	928	1,105	1,146	1,174	1,083
LNG Singapore bunker	870	1,047	1,099	1,045	1,061
Bunker marker					
Grey ammonia					*$/t VLSFOe*
Ammonia cfr NWE	1,551	1,456	1,551	1,551	1,518
Ammonia cfr east Asia	1,275	1,100	1,268	1,403	1,425
Ammonia fob Caribbean	1,303	1,162	1,159	1,297	1,251
Ammonia fob Middle East	1,092	974	1,148	1,306	1,340

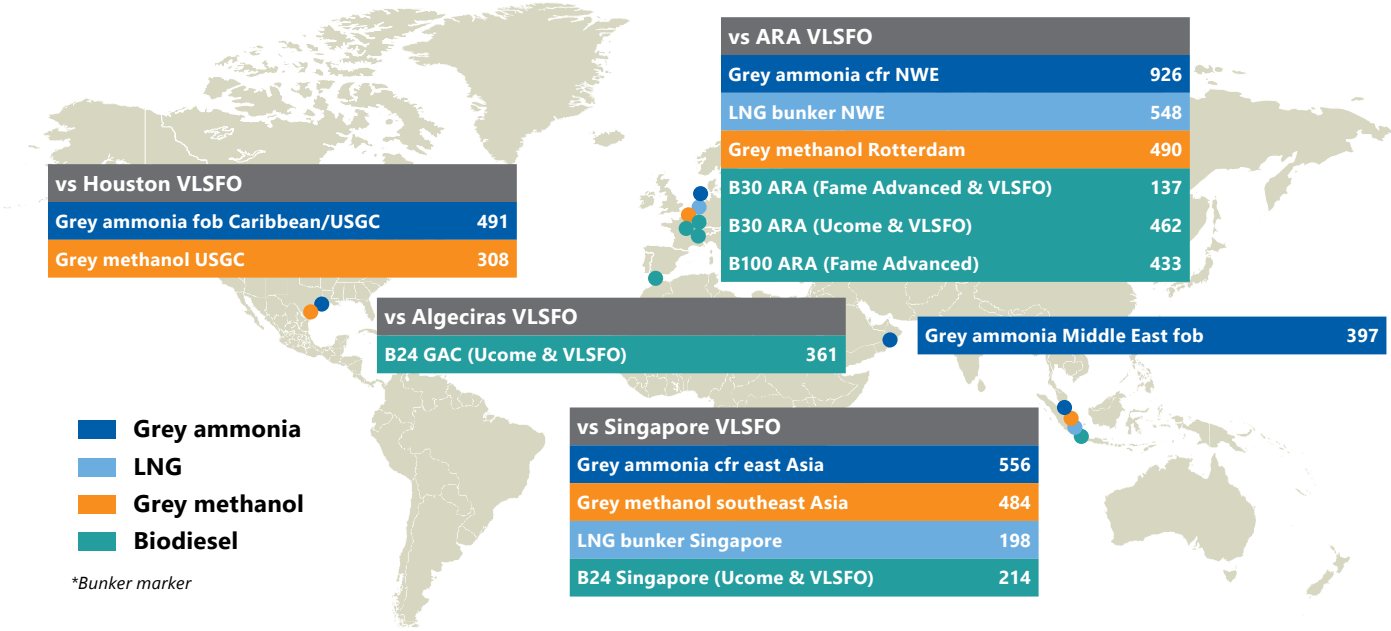
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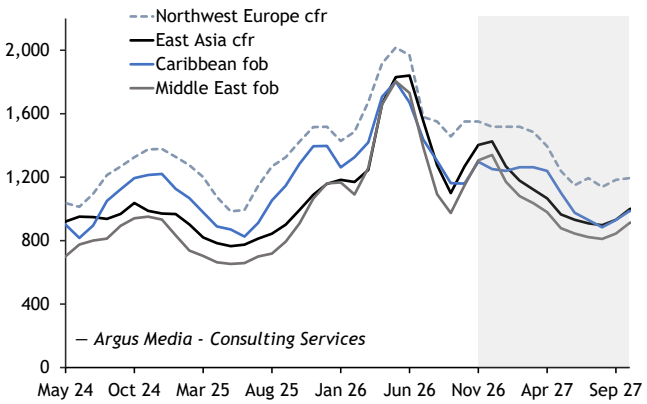
Alternative marine fuel vs VLSFO next month forecast

$/t VLSFO-equivalent



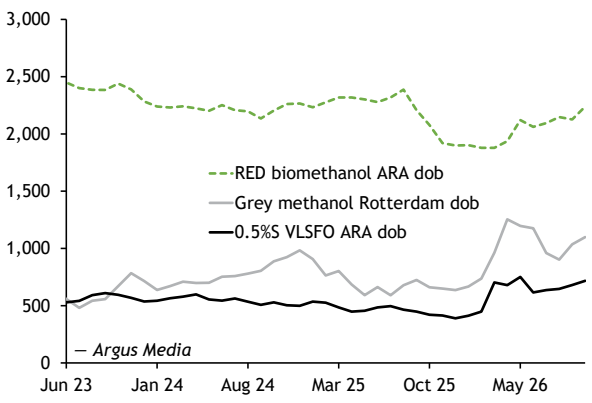
Grey ammonia bunker marker

$/t VLSFOe



Biomethanol, grey methanol vs VLSFO

$/t VLSFOe



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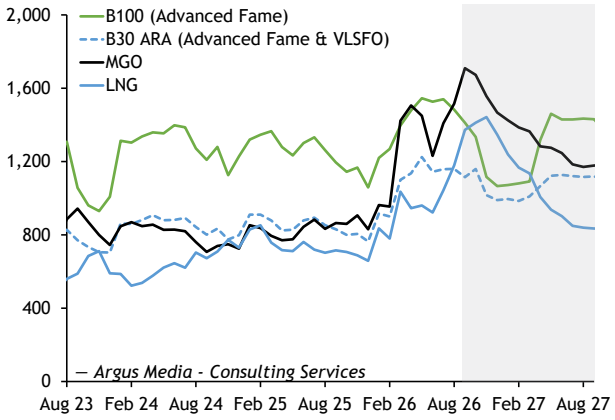
EUROPE

European bunker forecast											$/t
	Aug 26	Sep 26	Oct 26	Nov 26	Dec 26	Jan 27	Feb 27	1Q27	2Q27	3Q27	4Q27
Crude price forecast											
North Sea Dated	683	880	951	828	753	715	678	688	685	690	668
Conventional											
Fob NWE											
3.5%S HSFO 380cst	497	554	598	565	526	538	515	532	563	572	521
0.1%S MGO	1,218	1,424	1,371	1,251	1,160	1,115	1,073	1,077	949	859	833
0.5%S VLSFO	607	643	662	593	575	585	573	586	606	610	577
Dob											
3.5%S HSFO 380cst Rotterdam	535	591	637	603	565	562	540	557	587	596	548
0.1%S MGO ARA	1,212	1,396	1,365	1,247	1,157	1,120	1,087	1,089	960	865	841
0.1% fuel oil Rotterdam	1,127	1,324	1,236	1,137	1,059	1,022	984	988	857	764	743
0.5%S VLSFO ARA	647	680	716	625	607	617	605	618	639	642	609
3.5%S HSFO 380cst Algeciras	576	648	703	661	612	549	524	542	571	574	529
0.1% MGO Algeciras	1,314	1,547	1,495	1,354	1,266	1,156	1,117	1,120	994	897	873
0.5%S VLSFO Algeciras	684	716	733	649	642	655	643	656	677	674	649
Alternative											
Dob											
B30 Netherlands (Fame Advanced & VLSFO)	894	845	890	755	729	738	732	741	839	849	784
B30 ARA (Ucome & VLSFO)	1,011	1,067	1,010	993	979	986	979	988	1,002	996	969
B100 Netherlands (Fame Advanced)	1,285	1,223	1,156	967	923	928	936	937	1,215	1,240	1,101
B24 Algeciras-Gibraltar (Ucome & VLSFO)	919	957	965	923	908	916	907	917	932	928	901
$/t VLSFOe											
B30 Netherlands (Fame Advanced & VLSFO)	902	853	899	762	736	745	739	748	847	857	792
B30 ARA (Ucome & VLSFO)	1,107	1,168	1,106	1,087	1,071	1,080	1,071	1,081	1,096	1,090	1,061
B100 Netherlands (Fame Advanced)	1,407	1,339	1,266	1,058	1,011	1,016	1,025	1,025	1,330	1,357	1,206
B24 Algeciras-Gibraltar (Ucome & VLSFO)	1,006	1,048	1,057	1,010	994	1,003	993	1,004	1,020	1,016	986
Grey methanol Rotterdam	902	1,036	1,098	1,115	1,089	1,086	1,096	1,091	1,066	993	792
LNG bunker NWE	928	1,105	1,146	1,174	1,083	983	919	930	706	601	596
$/t MGOe											
B30 Netherlands (Fame Advanced & VLSFO)	951	899	948	804	776	786	779	789	893	904	835
B30 ARA (Ucome & VLSFO)	1,167	1,231	1,166	1,146	1,130	1,138	1,129	1,140	1,156	1,149	1,119
B100 Netherlands (Fame Advanced)	1,483	1,412	1,334	1,116	1,066	1,072	1,081	1,081	1,403	1,431	1,271
B24 Algeciras-Gibraltar (Ucome & VLSFO)	1,060	1,105	1,114	1,065	1,048	1,057	1,047	1,058	1,076	1,071	1,039
Grey methanol Rotterdam	951	1,092	1,158	1,146	1,119	1,116	1,126	1,121	1,095	1,020	814
LNG NWE bunker	978	1,165	1,208	1,238	1,141	1,037	969	980	744	634	629
European bunker marker											
Grey ammonia cfr NWE $/t VLSFOe	1,551	1,456	1,551	1,551	1,518	1,518	1,518	1,506	1,261	1,172	1,168
Grey ammonia cfr NWE $/t MGOe	1,594	1,496	1,594	1,594	1,559	1,559	1,559	1,548	1,296	1,204	1,200

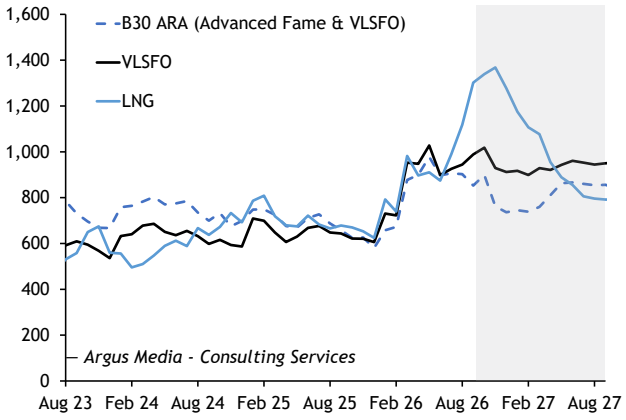
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European bunker forecast with EU ETS CO2 added combustion cost	Aug 26	Sep 26	Oct 26	Nov 26	Dec 26	1Q27	2Q27	3Q27	4Q27
Conventional including CO^2 cost									
0.1%S MGO ARA	1,515	1,709	1,673	1,557	1,467	1,392	1,268	1,178	1,158
0.5% fuel oil Rotterdam	944	988	1,018	929	912	915	942	949	921
Alternative including CO^2 cost									
B30 Netherlands (Fame Advanced & VLSFO)	1,102	1,060	1,102	968	943	949	1,051	1,064	1,002
B30 ARA (Ucome & VLSFO)	1,220	1,283	1,222	1,206	1,192	1,196	1,214	1,211	1,187
B24 Algeciras-Gibraltar (Ucome & VLSFO)	1,145	1,192	1,195	1,154	1,139	1,143	1,163	1,162	1,137
$/t VLSFOe									
B30 Netherlands (Fame Advanced & VLSFO)	1,111	1,069	1,111	975	950	956	1,059	1,072	1,010
B30 ARA (Ucome & VLSFO)	1,315	1,384	1,318	1,300	1,285	1,289	1,308	1,305	1,279
B24 Algeciras-Gibraltar (Ucome & VLSFO)	1,232	1,282	1,287	1,241	1,225	1,230	1,251	1,250	1,223
Grey methanol Rotterdam	1,194	1,340	1,399	1,391	1,366	1,361	1,342	1,272	1,075
LNG bunker NWE	1,118	1,302	1,339	1,368	1,277	1,120	900	798	795
$/t MGOe									
B30 Netherlands (Fame Advanced & VLSFO)	1,160	1,115	1,160	1,017	990	997	1,105	1,118	1,053
B30 ARA (Ucome & VLSFO)	1,316	1,403	1,358	1,359	1,343	1,348	1,368	1,364	1,337
B24 Algeciras-Gibraltar (Ucome & VLSFO)	1,287	1,339	1,344	1,296	1,279	1,284	1,306	1,305	1,276
Grey methanol Rotterdam	1,227	1,377	1,437	1,429	1,403	1,399	1,378	1,307	1,104
LNG NWE bunker	1,179	1,373	1,412	1,443	1,347	1,181	949	841	839

European bunker forecast with EU ETS CO2 added combustion cost ***$/t MGOe***



European bunker forecast with EU ETS CO2 added combustion cost ***$/t VLSFOe***



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Prices

Conventional fuels

Fundamentals to support VLSFO as crude softens

Delivered VLSFO crack spreads fell by $35.32/t in October to an average $253.39/t discount to North Sea Dated. Surging crude values continued to weigh on the crack spread — North Sea Dated gained by $71/bl over the same period. But we see the crude complex softening out to the end of the year and into the first quarter of 2027, underpinning our expectations of a narrowing discount for VLSFO. Firm fundamentals will keep outright VSLFO prices supported relative to crude.

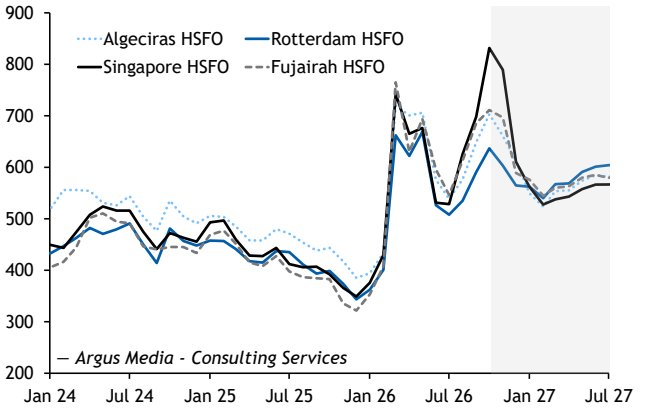
A supply glut weighed on VLSFO in October. Heavier maintenance at secondary units than CDUs buoyed feedstock availability, with more volumes heading straight into the VLSFO blending pool. An unusual VLSFO cargo from the US Gulf coast added to supply.

But availability will tighten. Feedstock demand is rising again, as refinery maintenance season concludes. VGO premiums in northwest Europe are already rising to reflect this, flipping back to a premium to North Sea Dated on 16 October. Flows of VLSFO from the US will not be sustained, as refinery maintenance season ends there too.

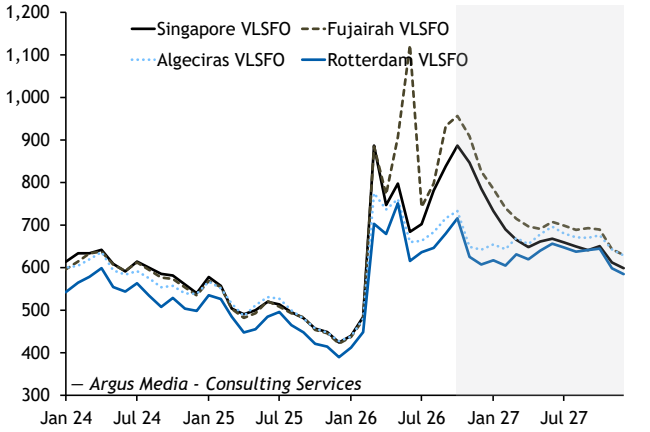
Extremely high freight rates have already weighed on exports from the region in October, with loadings from northwest Europe set to average a three-month low of 200,000 b/d, according to Vortexa data. Record freight rates — the Mediterranean to east Asia dirty tanker rate reached a record $244.44/t on 14 October — have meant even an exceptionally wide east-west spread is not enough to attract low-sulphur cargoes to Asia, where availability is tighter. Freight rates are not expected to drop significantly, as tanker availability is still so tight, so arbitrage economics to Asia are expected to stay unworkable while the east-west spread. Lower export demand will cap the upside to crack spreads through the remainder of 2026.

There is upside risk as sky-high crude prices are pressuring refining margins. Run cuts are a risk, with simple refineries more vulnerable, which would reduce fuel oil production in the region.

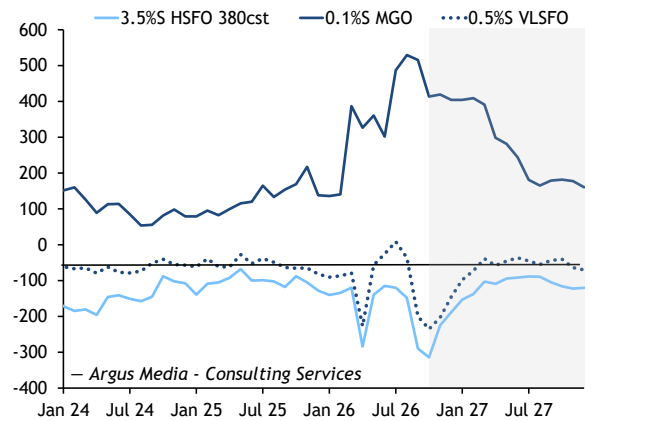
HSFO price forecast, dob *$/t*



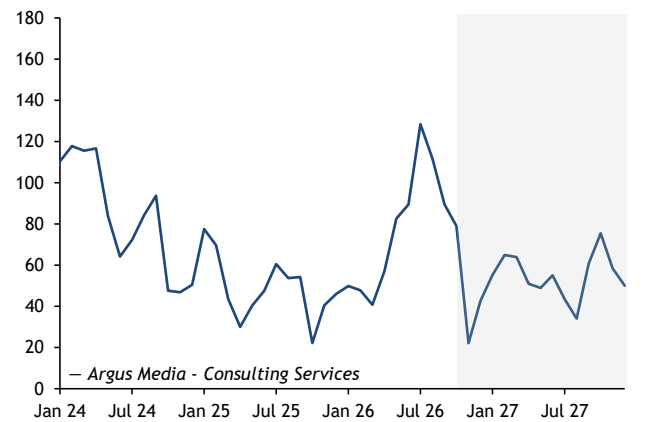
VLSFO price forecast, dob *$/t*



NWE bunker cracks vs NSD *$/t*



NWE VLSFO-HSFO spread *$/t*



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NWE scrubber spread narrows

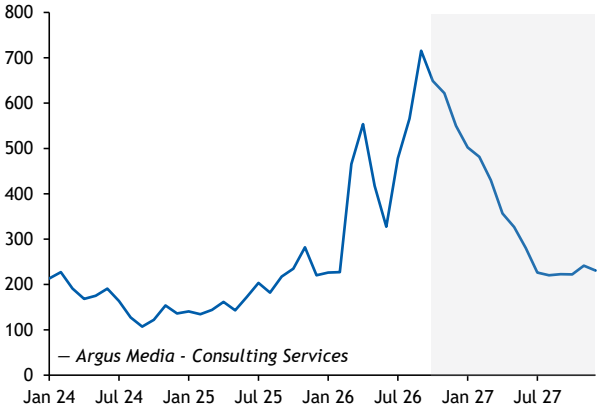
Delivered HSFO in Rotterdam weakened by $24.71/t to a $314.31/t discount to North Sea Dated, but this was less than the extent to which VSLFO weakened, which narrowed the scrubber spread. The spread has averaged $78.92/t in October — putting it on course to be the lowest for any month since April. With support for high-sulphur products increasing this month — the spread was $52.75/t on 26 October — and continuing into November, we expect the spread to stay narrow.

Exports of fuel oil from Venezuela, a key supplier of high-sulphur product, are still well below summer's highs. October exports are tracking under 100,000 b/d, preliminary Vortexa data show, whereas exports were running above 200,000 b/d in February-July. Elevated freight rates make it unlikely these volumes will pick up significantly in November. Exports of fuel oil from Mexico have also been trending down, and will not plug the gap left by Venezuela, as earlier in summer.

Strong medium sour crude prices are adding to the support for HSFO crack spreads. While crude flows out of the Mideast Gulf have continued in the face of intensifying vessel attacks in the strait of Hormuz, caution over these flows is keeping the medium sour crude complex supported.

Arrivals of Iraqi fuel oil in the Mediterranean are likely to pick up in November — exports along this route, overland to the Syrian port of Banias, were at around 80,000 b/d in October, down from over 180,000 b/d in August. But the increased risk of attacks in Hormuz will make truck deliveries to Banias more attractive. But expectations that high LNG prices will see Egypt shifting more of its power plants to fuel oil is likely to outweigh the impact of more Iraqi fuel oil.

NWE MGO-VLSFO spread *$/t*



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Alternative fuels

Biofuels

Advanced Fame-MGO abatement mostly negative in 1Q

Advanced Fame-MGO abatement costs have averaged minus $9.40/tCO2e in October. Costs first turned negative in September before briefly returning to positive territory in the second half of the month, then moving back below zero on 8 October. This means shipowners switching from MGO to B100 during periods of negative abatement costs would have reduced both their emissions and fuel costs.

B100 advanced Fame dob Netherlands prices have fallen to an average of $1,155/t in October, down by $68/t from September, pressured by lower underlying advanced Fame prices and stronger ticket values. Dutch renewable maritime tickets (ZREs), which suppliers apply as a discount to marine biodiesel blend prices, continued to strengthen, averaging around 21.7¢/kgCO2, up from 19.08¢/kgCO2. Ticket prices have nevertheless fallen from a 28.5¢/kgCO2 peak on 8 September.

ZRE demand is expected to remain firm and could strengthen further through the remainder of the year amid concerns over a potential shortfall. Based on Rotterdam sales during the first three quarters, the achieved GHG reduction is estimated at 73pc of the 2026 target. Maritime fuel suppliers have a 2.9pc GHG reduction target in 2026.

Biofuel sales fell sharply in the third quarter, by 42pc on the year and 30pc from April-June, Rotterdam port authority data show. Demand for B100 probably increased significantly as Dutch B100 moved to a discount to MGO. But the discount appears to have provided only limited support to overall demand, as market volatility weighed on marine fuel trading activity and left buyers reluctant to commit heavily.

B100 prices are expected to fall further as fuel suppliers seek to generate more ZREs to meet their obligations and capitalise on strong ticket demand. Prices could decline towards $900/t through the remainder of the year and into the first quarter, before recovering in the second quarter.

B30 Advanced Fame and VLSFO dob Netherlands prices are also forecast to fall, driven by expected declines in both biocomponent and conventional fuel prices.

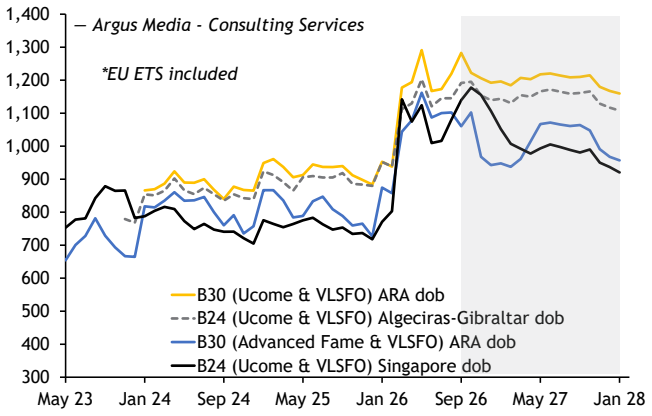
B100 to remain at discount to MGO through 1Q

The discount of B100 dob Netherlands to delivered MGO prices in ARA widened further in October, reaching around $210/t, out from $173/t in September. The discount is forecast to widen further in November before gradually narrowing from December, with B100 remaining cheaper than MGO through the first quarter and returning to a premium in the second quarter.

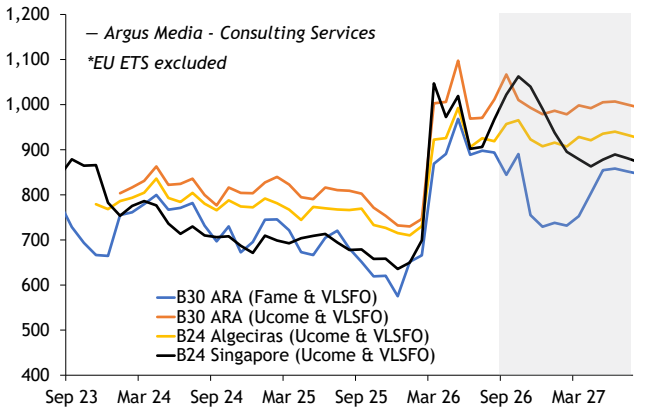
MGO prices had generally trended lower since peaking at $1,501/t on 16 September, supported by an improving regional diesel supply outlook. But prices reversed course in the second half of October with escalating attacks on shipping and energy infrastructure in the Middle East renewing concerns over supply disruption. The earlier decline followed announcements of further European diesel stock releases, a US sanctions waiver for Russian diesel exports and the lifting of Russia's diesel export ban.

The G7-led stock release will bring around 20mn bl of diesel to the market, with France accounting for half through a 10mn bl middle-distillate release in November-January. The timing of the remaining releases is less clear. European governments have so far limited their stock drawdowns, preserving reserves against Middle East supply risks while allowing high prices to curb demand.

Marine biofuels Europe vs Singapore, with EU ETS ***$/t***



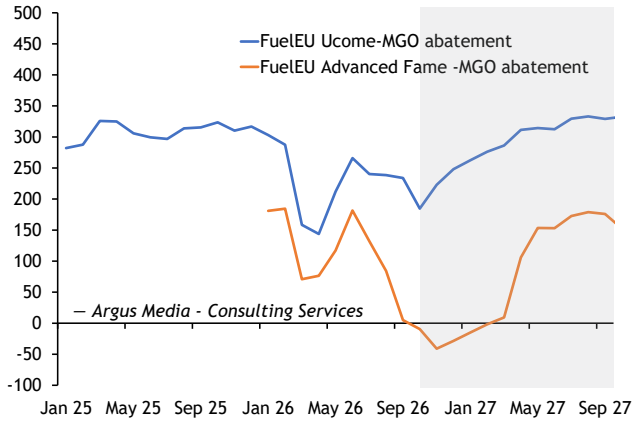
Marine biofuels Europe vs Singapore ***$/t***



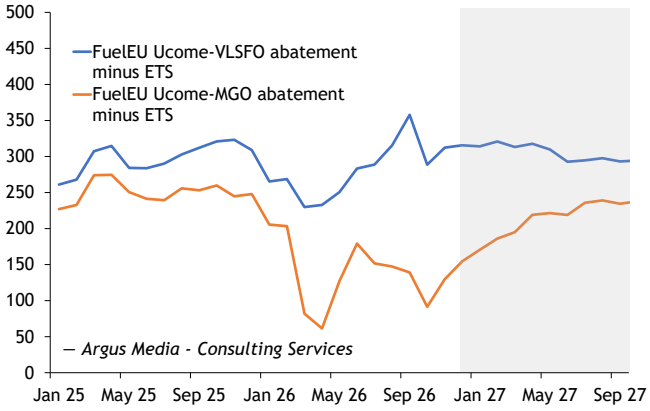
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FuelEU Maritime costs forecast											$/tCO2e
	Aug 26	Sep 26	Oct 26	Nov 26	Dec 26	Jan 27	Feb 27	1Q27	2Q27	3Q27	4Q27
FuelEU Ucome-VLSFO abatement	408	454	383	407	410	407	412	408	401	390	396
FuelEU Ucome-VLSFO abatement minus ETS	315	358	289	312	316	314	321	316	307	295	300
FuelEU Ucome-MGO abatement	239	234	185	223	248	262	276	275	313	331	334
FuelEU Ucome-MGO abatement minus ETS	147	139	91	130	155	171	186	184	220	236	239
FuelEU Advanced Fame-MGO abatement	84	5	-10	-41	-29	-15	-2	-3	137	176	134
FuelEU Advanced Fame-MGO abatement minus EU ETS	-10	-93	-105	-137	-125	-110	-95	-97	42	79	35

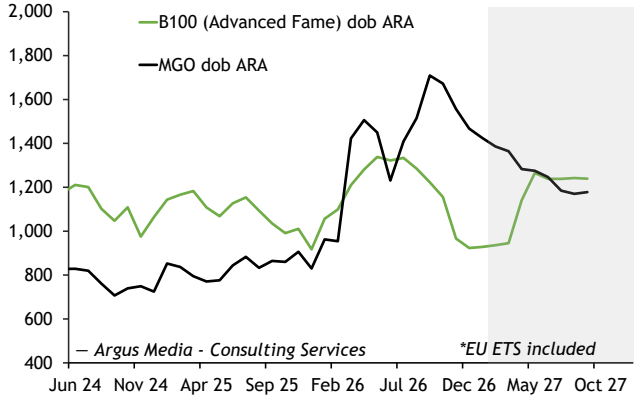
FuelEU abatement prices *$/t CO2e*



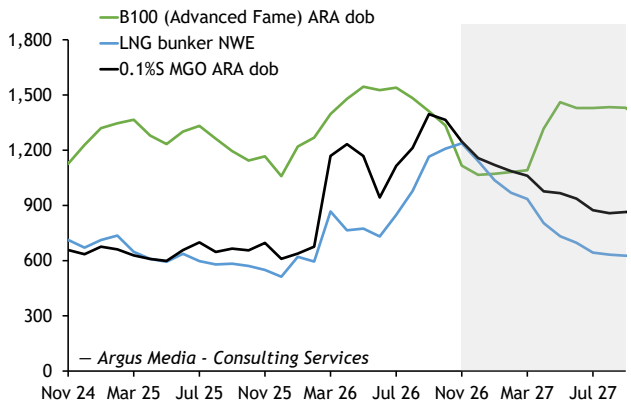
FuelEU abatement prices ex ETS *$/t CO2e*



NWE B100 vs MGO *$/t*



NWE LNG, B100 vs MGO *$/t MGOe*



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The releases should ease tight winter-grade diesel supply in Europe. With high refinery utilisation rates and diesel yields, improved availability should support consumption through to the year's end, although a lengthening market is likely to pressure cracks.

Meanwhile, uncertainty over returning Russian supply continues to support US prices, despite the easing of sanctions and the lifting of Russia's export ban. Turkey and Brazil are likely to absorb most of the additional Russian diesel, reducing demand for Mediterranean and US Gulf coast barrels. Russia's diesel surplus is expected to rise to around 500,000 b/d in November and increase further in December as refineries return from repairs, supporting an export recovery. But further Ukrainian strikes on Russian plants remain a key risk to refinery runs and export availability.

Against this backdrop, we see MGO prices falling to $1,243/t for the remainder of the year and $1,104/t in the first quarter, with the downtrend expected to continue into summer. But the outlook remains subject to developments in the Middle East and further attacks on Russian refining infrastructure.

ARA B30 prices to stay steady, Ucome and VLSFO to fall

At the ARA hub, B30 Ucome-VLSFO prices have fallen to $1,010/t in October, down by $57/t from September, largely reflecting the drop in biofuel values.

Biodiesel prices have fallen in October with softer diesel values, bringing an end to the rally from July to mid-September. Ucome fob ARA prices have continued to fall in the second half of October, to around $1,660/t, after rising to $1,905/t in September. This is up from $1,489/t in September 2025.

The rally between July and mid-September widened the spread between Ucome and UCO cif ARA to $608/t in September, from $416/t in the second quarter, improving the economics for Ucome producers. But the spread has narrowed to $434/t in October. UCO prices have not followed the recent decline in the biodiesel market to the same extent, falling by only $14/t from September to $1,283/t. Strong competition for UCO from HVO and SAF producers has continued to support feedstock prices. With higher energy costs, this is likely to squeeze Ucome production margins.

The Ucome-UCO spread is forecast to remain around current levels through the rest of the year and into the first quarter. Ucome fob ARA prices are expected to remain close to $1,700/t this quarter as demand for higher-CFPP fuels drops away over winter. Advanced Fame is forecast to regain its premium to Ucome from March 2027, as Annex IX Part B caps constrain demand for UCO-based biodiesel and shift demand towards advanced feedstocks.

Against this backdrop, and with VLSFO prices also forecast to fall, B30 prices in ARA should remain around current levels through the end of the year and into the first quarter.

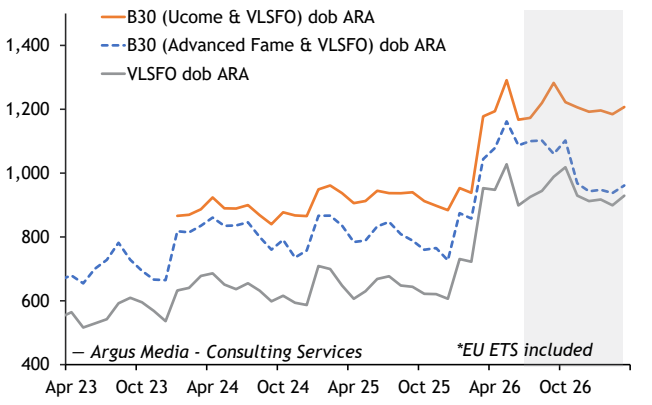
LNG

LNG bunker prices to ease but upside risks remain

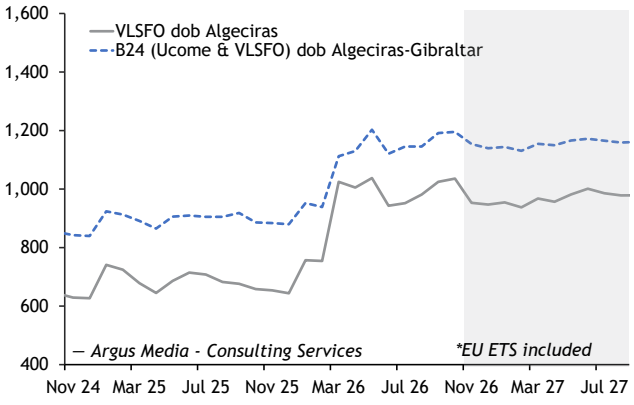
The northwest European LNG bunker price increased in October, reflecting gains at the Dutch TTF gas hub. LNG bunker values have averaged $1,208/t MGOe in October, up by $43/t MGOe from September. TTF prices climbed to $32/mn Btu on 26 October, their highest since December 2022, as continued disruption to Mideast Gulf LNG exports accentuated concerns over availability in Europe heading into winter.

Our base case is still a reopening of the strait of Hormuz and a ramp-up in LNG flows from December, although the outlook is highly uncertain. September also brought an increase

NWE marine biofuels vs conventional fuels *$/t*



Med marine biofuels vs VLSFO *$/t*



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in 'dark' transits, with more LNG carriers crossing the strait with their AIS transponders switched off in a bid to reduce their exposure to attack.

Growing expectations of US-Iran discussions from November should limit the scope for a sustained fourth-quarter price rally, although upside risks remain. Europe's projected storage deficit is expected to support strong LNG imports through winter and into the 2027 injection season. With limited upside from alternative supply sources, robust LNG inflows will be needed to contain storage drawdowns.

There remains a fine line between our base case of a tight but manageable winter and a more severe disruption scenario. Under the base case, storage inventories fall towards 20pc by the end of winter, but rising LNG availability following the reopening of Hormuz allows prices to ease. Prolonged disruption, however, would intensify competition for LNG cargoes, pushing prices sharply higher and potentially prompting government intervention to curb demand in Asia and Europe towards the end of the first quarter.

Under our base case, LNG bunker prices are expected to rise to $1,238/t MGOe in November before falling to $980/t MGOe in the first quarter of 2027 and $744/t MGOe in the second quarter.

LNG is expected to maintain its discount to MGO, despite the spread narrowing in October. The discount narrowed to $157/t MGOe from $231/t MGOe in September, but LNG is expected to remain cheaper than MGO through to the end of this year and throughout 2027.

Regulation

EU conducts RED IV impact assessment

The European Commission has conducted an impact assessment for the next revision of the renewable energy directive (RED IV). The draft proposes raising the effective cap on crop-based biofuels after 2030 and tightening certification regulations for waste-based fuels. The current EU-wide targets — including a 29pc renewable energy share in transport and a 14.5pc reduction in transport fuel's greenhouse gas (GHG) emissions — will expire after 2030. Member states will retain obligations for transport fuel suppliers, but have greater scope to design their own GHG-reduction frameworks.

A common maximum cap of 7pc for food and feed crop-based biofuels could replace country-specific limits. Multipliers for advanced biofuels made from EU feedstocks would be retained, but without a minimum volume requirement. Biofuels and feedstocks certified outside the EU would qualify only where recognised schemes allow auditors to inspect sites, while unrecognised national schemes would be restricted to smaller installations using local biomass.

Global bunker fuel demand					'000t
	2024	2025	2026	2027	2028
Conventional fuels					
VLSFO	133,968	124,227	113,660	114,825	113,805
HSFO	57,674	62,690	65,426	69,766	70,805
MGO	74,901	81,023	83,501	83,567	83,433
Total conventional fuels	**266,543**	**267,940**	**262,588**	**268,158**	**268,043**
Alternative fuels					
Ammonia	0	0	0	0	145
LNG	3,081	3,965	4,589	5,520	7,874
LPG	120	139	165	192	212
Methanol	175	373	710	841	893
Bioethanol	4	12	28	44	197
Biodiesel	448	576	602	718	865
Other	59	59	58	59	59
Total alternative fuels	**3,887**	**5,123**	**6,152**	**7,373**	**10,244**
Total fuel demand	**270,430**	**273,063**	**268,740**	**275,531**	**278,287**

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Global demand

Resilient trade supports global demand recovery

Our overall view of global conventional bunker demand is little changed from our previous issue. This year's sharp drop — the result of reduced vessel movements in the Middle East — is followed by recovery in 2027. Our working assumption is that vessel activity in the strait of Hormuz will continue to recover, and that the upswing in Iranian attacks on commercial vessels will be short lived.

We have revised up our 2026 demand projection to 262.6mn t— although this is still down by 5.4mn t on 2025 — to reflect the resilience of global trade and the support this generates for bunker demand outside the Middle East. The seasonally adjusted global RWI/ISL container throughput index was little changed in August, rising by just 0.1 points to 141.9, and remaining up on the year.

Firm global trade has led to a small upwards revision for 2027 — we now see demand rising by 5.6mn t to 268.2mn t. While demand will climb in the Middle East, we expect some demand to continue to be displaced to other regions, as security concerns persist. And we have extended this demand shift into 2028 — even as vessel movements in the Middle East return to normal, it will take time to rebuild confidence and for Fujairah to reclaim its position as a major global bunkering hub.

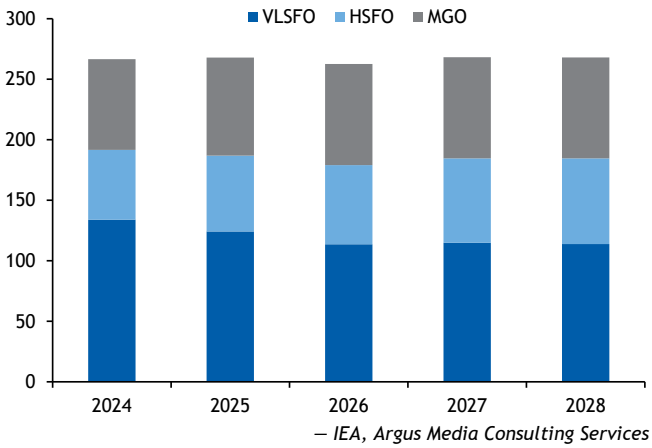
But there is downside risk to our forecast. The path of the Middle East conflict is uncertain, and there are fears that Donald Trump will escalate the conflict after the US midterm elections. Not only would this reduce bunker demand in the Middle East, potentially higher fuel and energy prices would weigh on economic growth. While the global economy has been resilient so far, there are already signs of vulnerability. The RWI/ISL container throughput index for China fell on the year — by 0.2 points to 155.8 — for the first time in 15 months. And while Trump's global trade policy has been less headline news in recent months, it continues to affect major global economies. Canada's GDP growth in 2026 has been revised down by 0.9 percentage points by the country's Parliamentary Budget Office to reflect the impact of US tariffs and Canadian countermeasures.

Alternative fuel demand to keep climbing

From 2028, we expect faster growth in alternative bunker demand and the increasing efficiency of the global fleet to start outweighing the impact of global trade growth, resulting in a slight drop in conventional bunker demand.

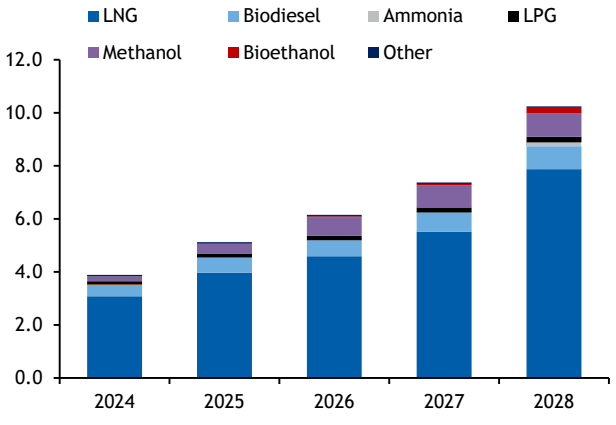
But the momentum behind alternative fuel uptake has faded this year. This is particularly evident in Singapore, where sales of bio-blended fuels are down by 49pc on the year. The delay to the IMO's net-zero framework vote has led to confusion over future regulations. And while EU legislation and IMO's greenhouse gas reduction targets are still driving growth, we have revised down our expectations for biodiesel bunkering demand growth. We now expect global biodiesel demand to grow by 5pc in 2026. Demand growth should accelerate again in 2027, when the direction and timeline of IMO regulations are expected to be confirmed.

Global conventional bunker demand forecast ***mn t***



— IEA, Argus Media Consulting Services

Global alternative bunker demand forecast ***mn t***



— IEA, IMO, Argus Media Consulting Services

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Demand

Alternative growth weighs on conventional demand

Demand in Europe continues to draw support from the war in the Middle East. While elevated energy prices pressure economic growth, the region has been resilient, keeping international trade and bunker demand supported. With so many vessels avoiding bunkering in Middle East, demand is still shifting to other regions, including northwest Europe and the Mediterranean. Marine fuel supplied at Spanish ports reached a record high in August.

And while total demand is rising, alternative fuels' share is growing. Europe leads the way on regulation to drive alternative fuels' uptake, and we see conventional fuel demand dropping by 0.1mn t to 53mn t this year.

Conventional fuel demand should continue to fall in 2027-28, driven by rising alternative fuel consumption, but also by demand shifting back to Middle Eastern ports. We see demand falling by 0.5mn t in 2027 and by 0.9mn t in 2028.

RED III weighs on Rotterdam conventional sales

Sales at Rotterdam in the third quarter fell by 21pc on the year to 1.94mn t, according to port authority data, reflecting the Netherlands imposition of RED III rules. The extra compliance cost pushed up conventional prices at Rotterdam, with demand shifting to nearby ports outside the Netherlands. Sales of conventional fuels at the port of Antwerp-Bruges in Belgium rose by 13pc on the year in the third quarter.

Sales of bio-blended fuels fell by 42pc on the quarter and 30pc on the year to 139,400t. While bio-blended fuel sales are not broken down by category, B100 demand was particularly firm in the third quarter, with prices in the Netherlands at a discount to MGO.

Bio-LNG sales rising in Rotterdam

Bio-LNG sales bucked the trend at Rotterdam. Sales more than tripled on the quarter to a record 10,700t. Wider demand for LNG remains firm, with combined sales of fossil and bio-LNG exceeding 100,000t for the third quarter in a row. LNG remains a popular choice to meet FuelEU Maritime regulations as supply and bunkering infrastructure is more developed than for other alternative fuels. But we expect bio-LNG to make up an increasingly large share of LNG sales, due to its greenhouse gas emission savings. Shipping firms, such as France's CMA CGFM, are already investing in biomethane production, in a bid to secure bio-LNG supply in the 2030s, when fossil LNG no long offers sufficient GHG intensity savings to meet FuelEU regulations.

Conventional fuels drive sales at Antwerp-Bruges

Antwerp-Bruges sales rose on the quarter and year to 2.15mn t in July-September, port data show. Conventional demand was strong, with MGO, LFSO and HSFO sales all up on the year. Demand for conventional fuels shifted from Rotterdam, due to the additional compliance costs from RED III.

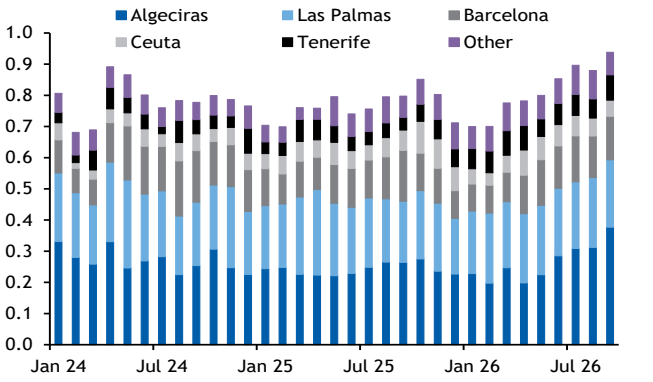
The picture for alternative fuel sales was more mixed. LNG continued to attract firm demand, up by 8pc on the year to 74,500t. But biofuel sales fell sharply, by 76pc to 13,500t. Competitive pricing in the Netherlands — due to the same RED III rules — is drawing some biofuels demand away from Antwerp-Bruges. But uncertainty over IMO GHG rules is contributing to a wider drop in demand for biofuels.

Methanol bunkering is available at the port, but there have been no such sales there this year.

Demand at Spanish ports at multi-year highs

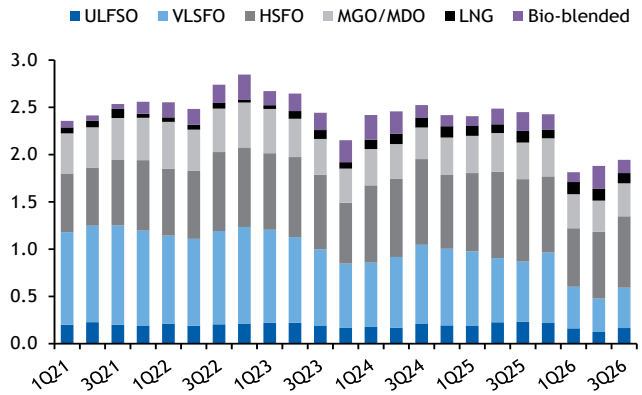
Supplied marine fuels — a proxy for demand in Spain — rose by 17pc on the year to 938,300t in September, the highest

Spain marine fuel sales *mn t*



— *Spanish Ministry of Transport and Sustainable Mobility*

Rotterdam bunker sales *mn t*



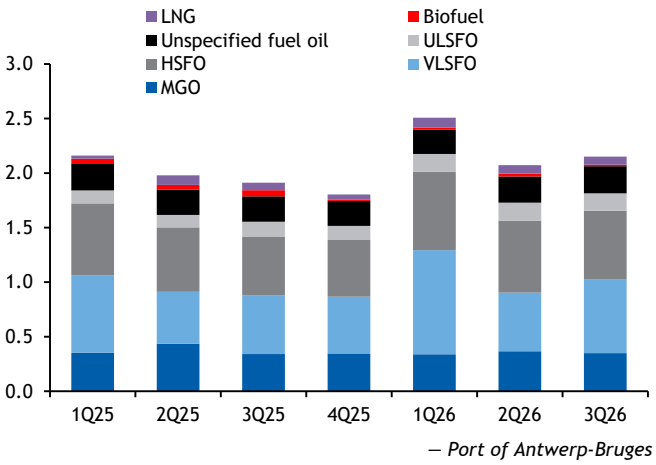
— *Port of Rotterdam*

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Europe bunker fuel demand					mn t
	2024	2025	2026	2027	2028
VLSFO	28.6	20.4	17.2	16.3	14.9
HSFO	8.1	9.8	10.8	11.6	12.3
MGO	17.6	22.9	25.0	24.7	24.5
Total	**54.3**	**53.1**	**53.0**	**52.5**	**51.6**

since at least 2019, transport ministry data show. Demand was strong throughout the third quarter — up by over 10pc on the year each month — reflecting the continuing displacement of demand from the Middle East. Demand has been particularly strong at Algeciras, rising by 43pc on the year to 377,200t, again the highest since at least 2019. The port lies on the Mediterranean and can serve vessels on the route through the Suez Canal that would have previously have bunkered in the Middle East.

Antwerp-Bruges bunker sales *mn t*



— *Port of Antwerp-Bruges*

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Supply

Falling imports curtail ARA fuel oil stock recovery

Fuel oil stocks held in the ARA hub grew by 0.7mn bl in September, but still remained below the five-year range, data published by Insights Global show. In the first three weeks of October, stocks levelled off, dropping by just 0.1mn bl to stand at 6mn bl on 22 October. Fuel oil arrivals at the hub in September were bolstered by record receipts from Mexico of 51,000 b/d. But both Mexican and total arrivals are on track to fall on the month in October, by around 20pc to less than 200,000 b/d, according to preliminary data. But exports from ARA are weak as high freight rates limit arbitrage opportunities. Preliminary figures for exports on 1-26 October are at less than 120,000 b/d, down from 200,000 b/d in September. A key driver is the big drop in demand from Asia — even with a sharply wider east-west spread, these arbitrage economics are unworkable. With freight expected to remain high, exports are set to stay subdued in the short term.

But rising water levels have made Rhine river barging possible again — albeit still with reduced loads — and these inland deliveries should offset lower seaborne exports from ARA to some extent.

Gasoil stocks up, even as balances remain tight

Despite tight regional balances, ARA gasoil stocks continued to recover in September, rising by 0.7mn bl to 6mn bl. But this still remains outside of the five-year average. Stocks have levelled off in the first few weeks of October, with just a 0.1mn bl drop over 1-22 October. Gasoil imports into the hub were modest in September, at 160,000 b/d, down by 50,000 b/d on the year. But low Rhine water levels limited barge movements to inland Europe and helped offset reduced imports. Rising Rhine water levels will result in greater demand from inland Europe, weighing on ARA stock levels into November.

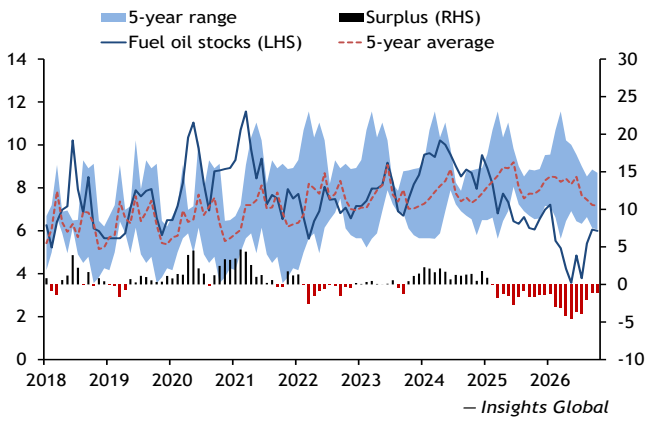
Autumn refinery maintenance runs into October

While Europe's overall autumn refinery maintenance has been relatively light this year, works in northern and central Europe have been heavier than our initial estimates, with October runs in these regions falling by 229,000 b/d on the month to 7.83mn b/d. But with maintenance expected to slacken off in November, runs should rise by 610,000 b/d to 8.21mn b/d. Supply of gasoil and fuel oil should increase on the month and year to 3.45mn b/d and 660,000 b/d, respectively. But as refiners continue to prioritise middle distillates to cash in on distended crack spreads, fuel oil supply is expected to be down on the year by some 8pc.

In the Mediterranean, lingering maintenance has reduced runs by 170,000 b/d to 5.8mn b/d, so marine fuels are likely to be in tighter supply there than in northwest Europe.

But while middle distillate cracks are so elevated in Europe and across the world, outright prices for other refined products — and not just fuel oil — are not keeping pace with surging crude values. This is pressuring refinery margins and could result in run cuts, which would leave marine fuel supply tighter than our expectations for the remainder of the year for Europe.

ARA fuel oil stocks *mn bl*



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Asia-Pacific

Asia-Pacific bunker forecast											$/t
	Aug 26	Sep 26	Oct 26	Nov 26	Dec 26	Jan 27	Feb 27	1Q27	2Q27	3Q27	4Q27
Crude price forecast											
Dubai	632	807	791	801	756	759	715	725	696	665	628
Conventional											
Fob Singapore											
3.5%S HSFO 380cst	576	650	763	740	577	542	509	524	538	541	490
0.5%S VLSFO	735	802	842	819	769	714	669	678	645	638	607
Dob Singapore											
3.5%S HSFO 380cst	625	698	832	789	611	562	528	542	556	561	512
0.1%S MGO	1,185	1,312	1,284	1,252	1,186	1,156	1,099	1,103	953	863	853
0.5%S VLSFO	781	838	887	847	786	733	690	696	659	650	621
Alternative											
Dob											
B24 Singapore (Ucome & VLSFO)	967	1,022	1,063	1,040	991	938	896	904	877	873	841
$/t VLSFOe											
B24 Singapore (Ucome & VLSFO)	987	1,043	1,084	1,061	1,011	957	914	923	895	891	858
Grey methanol southeast Asia	1,002	1,272	1,318	1,331	1,306	1,299	1,295	1,294	1,259	1,216	1,071
LNG bunker Singapore	870	1,047	1,099	1,045	1,061	953	843	869	635	544	560
$/t MGOe											
B24 Singapore (Ucome & VLSFO)	1,049	1,108	1,152	1,127	1,074	1,017	971	981	951	946	912
Grey methanol southeast Asia	1,064	1,351	1,400	1,366	1,341	1,334	1,330	1,328	1,292	1,248	1,099
Asia-Pacific bunker marker											
Grey ammonia cfr east Asia $/t VLSFOe	1,275	1,100	1,268	1,403	1,425	1,268	1,178	1,189	988	913	1,014
Grey ammonia cfr east Asia $/t MGOe	1,309	1,129	1,302	1,440	1,463	1,302	1,210	1,221	1,014	937	1,041

Prices

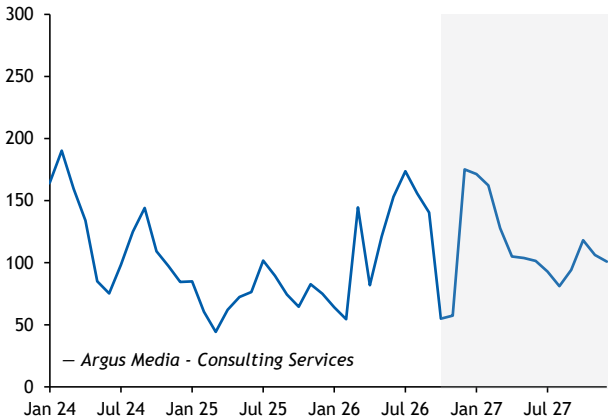
Conventional fuels

VLSFO supply limited by high freight rates

Tight VLSFO availability has supported crack spreads for delivered VLSFO in Singapore in October, with the premium of dob VLSFO to Dubai crude rising by $64.17/t to $98.22/t.

LSSR receipts from Nigeria's Dangote refinery have provided some relief — five cargoes arrived in September, and two in October. But only one Dangote LSSR cargo is currently signalling for Singapore, with most of the plant's exports sailing for the UAE port of Fujairah. Elevated freight rates will make it difficult for Singapore to attract alternative supplies from better-supplied markets west of Suez. So prices will continue to diverge east and west of Suez, keeping the east-west spread very wide.

Singapore VLSFO-HSFO spread *$/t*



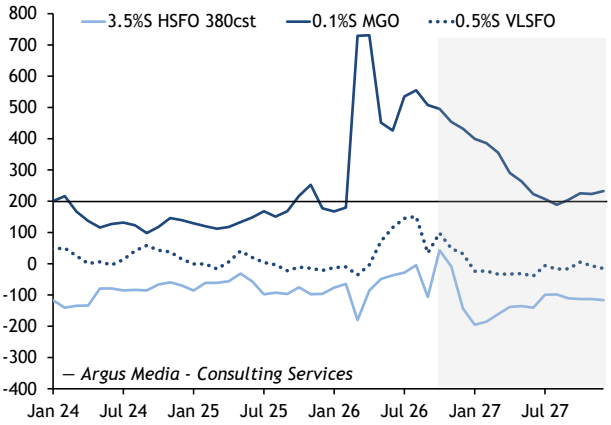
While arrivals from outside the region will remain constrained there will be some short-term relief from within the region. This will weigh on crack spreads, even as import availability remains constrained.

Start-up of Balikpapan's 90,000 b/d RFCC unit is expected to be delayed until 2027 at the earliest, so low-sulphur waxy residue exports from the refinery are likely to keep making their way into the VLSFO blending pool. A power-related incident mid-month at Malaysia's Pengerang refinery has taken its two RFCC units off line. While these are expected to come back on line by the end of October, low-sulphur atmospheric residue has been offered for loading in November. If the units' start-up is delayed — not unlikely — further volumes would be offered.

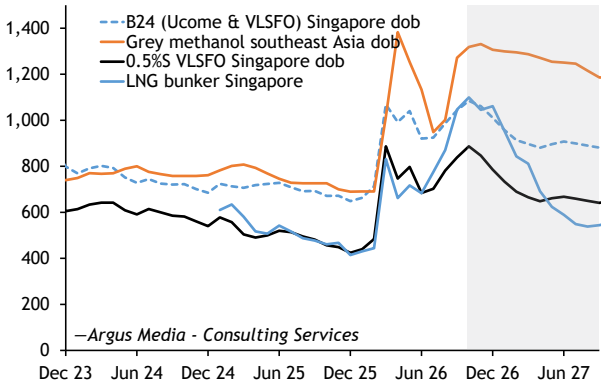
China's third batch of VLSFO export quotas, at 1.1mn t, was much larger than expected, so China's import requirements

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Singapore bunker cracks vs Dubai crude *$/t*



Alternative marine fuels vs VLSFO *$/t VLSFOe*



from Singapore are likely to be lower, buoying supply in Singapore during the final two months of the year. With ample bonded bunker availability at Chinese ports, some bunker demand should continue to be drawn away from Singapore.

Bullish sentiment adds to tight HSFO fundamentals

Singapore delivered HSFO values were strong in October, hitting an extremely unusual premium to VLSFO on 19 October. And delivered HSFO typically sits at a discount to Dubai crude, but has averaged a premium of $43.24/t this month.

HSFO fundamentals were already tight in Singapore. Regional production has been constrained by lower runs, and refiners prioritising middle distillates. Arrivals from key suppliers in the Middle East and Russia have been constrained in recent months. But a tight medium sour crude market — HSFO can be substituted for medium sour crudes in some units — and reduced HSFO imports from Russia and the Middle East have pushed up crack spreads.

Intensifying Iranian attacks on commercial vessels are weighing on transits through the strait of Hormuz, leading to concerns over Middle Eastern fuel oil availability in Asia, even as arrivals have been firm in October.

Damage at a key Russian export terminal will further limit Russian fuel oil flows during the remainder of October and November, added more support for already-elevated prices. Russian fuel oil receipts in Singapore averaged 61,000 b/d in September, down by 30pc on the year.

We do expect prices to normalise in the coming months, returning to a discount to Dubai in December, but tight fundamentals and bullish sentiment will keep cracks at a premium to Dubai in September and the scrubber spread narrow.

Increased inflows of medium sour crude from the Middle East should support higher HSFO yields in the region. But with crude exports from the Mideast Gulf now looking at greater risk, this is creating some downbeat sentiment on HSFO markets in the short term.

Alternative fuels

Biofuels

Singapore B24 prices set to fall, despite Ucome strength

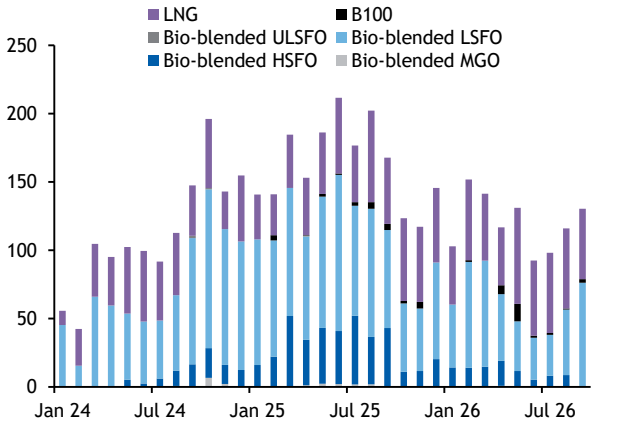
B24 Ucome-VLSFO blend prices in Singapore rose to an average of $1,063/t in October, up from $1,022/t in September, supported by higher conventional fuel and Ucome prices. Despite further strength expected in Ucome, B24 prices are forecast to decline into the first quarter of 2027, mainly reflecting an anticipated drop in Asian VLSFO values.

VLSFO fob Singapore prices rose to $842/t from $802/t in September, with tight availability continuing to support cracks. Elevated freight costs are limiting arbitrage flows from west of Suez, where supply is more ample, keeping east-west spreads exceptionally wide. But additional regional supply should provide some near-term relief and weigh on cracks, even as imports from outside Asia stay constrained.

Ucome markets have diverged. Fob ARA prices have fallen by $197/t in October to $1,701/t, while Chinese Ucome prices have risen by $16/t to $1,219/t. Ucome fob China prices are forecast to rise further in November and December before averaging $1,248/t in the first quarter of next year, with the premium to UCO climbing to around $76/t.

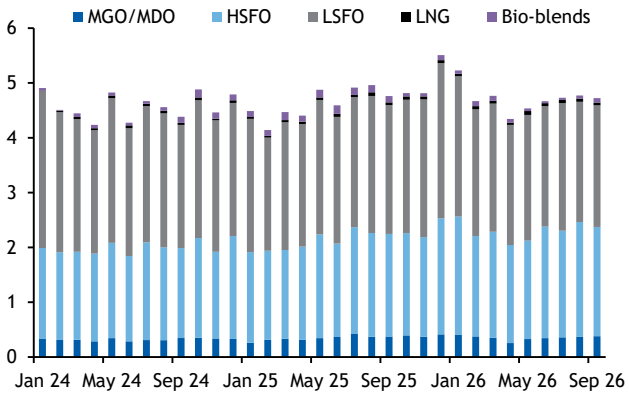
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Singapore alternative marine fuel sales *'000t*



— *Maritime & Port Authority of Singapore*

Singapore bunker sales *mn t*



— *Maritime & Port Authority of Singapore*

LNG

Asian LNG bunker prices to fall in early 2027

Asian LNG bunker prices have risen in October to $1,099/t VLSFOe from $1,047/t in September and $870/t in August, driven by a rally in LNG cargo prices. Our base case is still that Hormuz reopens and LNG flows begin to recover from December, although the outlook is highly uncertain.

Near-term LNG cargo demand is expected to stay subdued unless cold weather spurs stockdraws. High northeast Asian inventories and weak gas-fired generation should limit buying, with a colder-than-average winter the main upside risk. Conversely, mild weather could leave buyers with elevated stocks into early 2027, freeing more cargoes for Europe and supporting a more comfortable European storage position.

Against this backdrop, Asian LNG bunker prices are expected to edge lower but remain elevated through the rest of 2026, before falling to around $870/t VLSFOe in the next quarter.

Meanwhile, Singapore is continuing to expand its LNG and bio-LNG bunkering capacity. Vitol plans to begin LNG bunkering operations by the end of 2026 with its 12,500m³ *Vivit Asia LNG* — one of three new LNG bunker vessels joining Vitol Bunkers' fleet.

Demand

Asian bunker demand still strong

Conventional demand in Asia is set to rise by 2.5mn t to 139mn t this year, supported by resilient global trade. This will be underpinned by the artificial intelligence boom, which is supporting tech hardware exports from Asia to the US, and a shift in bunker demand from the Middle East to Asia.

In 2027, we expect conventional bunker demand to stay supported by growth in global trade, growing by 1.3mn t to 138.4mn t. Some demand will still be displaced from the Middle East, but to a lesser extent than it has been this year. But in 2028, we see conventional demand falling by 1.9mn t. A continued normalisation of bunkering in the Middle East will draw some demand back from Asia, but the main driver will be increasing uptake of alternative fuels.

Alternative fuel demand growth has stalled in Asia following the delayed IMO net-zero framework vote, but once the framework is confirmed, probably next year, we see demand accelerating. In the meantime, pooling mechanisms for FuelEU Maritime compliance and IMO greenhouse gas reduction targets will keep supporting alternative fuel uptake.

High prices weigh on Singapore sales

Bunker sales at the port of Singapore fell by 1pc on the year and month to 4.73mn t in September, according to Maritime and Port Authority data. High prices, as conventional fuel availability remains constrained, mean buyers continue to look to other regional ports, such as Malaysia's Port Klang and Pasir Gudang, to refuel.

Despite cautious sentiment — particularly early in the month, when VLSFO prices were especially elevated on tight supply — VLSO sales rose by 1pc on the month to 2.22mn t. But this was still down by 6pc on the year. HSFO sales remained firm,

Asia-Pacific bunker fuel demand *mn t*

	2024	2025	2026	2027	2028
VLSFO	66.5	65.5	64.8	64.0	62.6
HSFO	35.9	38.1	41.2	43.1	42.7
MGO	32.4	32.9	32.9	33.2	33.1
Total	**134.8**	**136.5**	**139.0**	**140.3**	**138.4**

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rising by 6pc on the year to 1.99mn t. MGO sales rose by 2pc on the year to 380,000t, which was an eight-month high.

Sales of bioblends dropped by 30pc on the year to 83,200t and have been subdued since the delay to the IMO net-zero vote. We expect biofuel demand growth to accelerate after the net-zero framework is approved, probably in 2027. LNG sales rose by 6pc on the year to 51.5mn t. LNG remains the leading alternative fuel, but supply logistics impose limits on growth. Three more LNG bunkering vessels are due to start operating in Singapore in 2027, which will allow sales to continue to grow firmly.

Interest in other fuels, such as ethanol and ammonia, is growing. Singapore carried out its first ethanol bunkering operation in October. This involved 5,000t of ISCC-certified product, making it the largest ethanol bunkering operation conducted globally to date. The operation was particularly noteworthy as the *Maersk Halifax* had been converted to a dual-fuelled vessel, demonstrating that vessels can be retrofitted, extending their lifespan and supporting increased demand for alternative marine fuels.

Chinese bunker sales rebound

Sales of marine fuels at Chinese ports staged a firm recovery in September, rising on the month and year after a weaker August. Sales at Zhoushan rose by 9pc on the year to 778,000t in September, port data show. Sales picked up more significantly in Shanghai, rising by 30pc to 449,000t.

Demand in China was strong, even with VLSFO prices at a premium to other ports in the region. In September, delivered VSLFO in Shanghai averaged $19.47/t above Singapore.

The release of an additional 1.1mn t of Chinese VLSFO export quotas at the beginning of October will keep bonded bunker availability ample for the remainder of the year. This should see firm bunker sales continuing at Chinese ports.

Supply

Asia runs continue to edge up

Refinery runs in Asia continued to climb in October — by over 200,000 b/d to 30.2mn b/d. And we assume that crude receipts from the Middle East will keep rising month by month, boosting availability for Asian refiners.

Runs are still well down on pre-war levels — by some 350,000 b/d on the year this quarter, but this is a much smaller gap than the third quarter's 1.2mn b/d. Yet Iranian attacks on commercial vessels in the strait of Hormuz have intensified and there are fears that US strikes could resume after November's midterm elections. If volumes exiting the Mideast Gulf drop significantly, run at Asian refineries would be likely to drop on reduced crude availability.

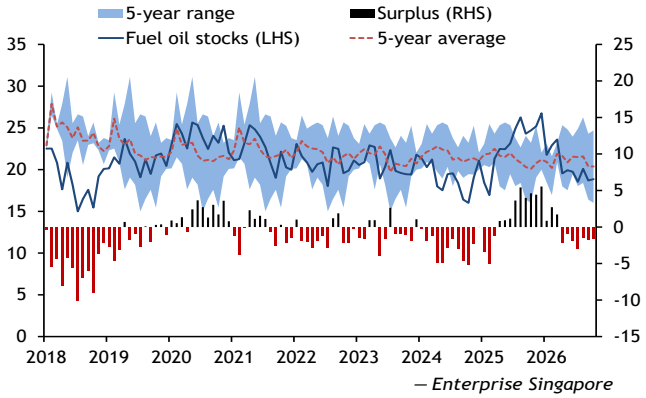
Russian fuel oil receipts in Asia have been weak in both September-October. September arrivals were at 170,000 b/d, close to half of year-ago levels. Russia had been a key supplier of fuel oil to Asia. But Ukrainian drone attacks on its refinery infrastructure have severely curtailed run rates, cutting export availability. This has also weighed on Russian exports of VGO, which can be a low-sulphur blend stock. We expect Russian refineries' return from repairs to lift run rates by around 500,000 b/d the month to 3.8mn b/d in November, with higher fuel oil supply translating into an uptick in exports. But with Ukrainian drone attacks continuing and damage to a key export terminal, it is uncertain whether fuel oil exports will rise to any meaningful extent.

Rising Singapore imports stem stockdraw

Fuel oil stocks in Singapore edged up by 0.2mn bl to 18.9mn bl over 1-21 October, after falling by 1.4mn bl in September, data from Enterprise Singapore show. A pick-up in imports in October helped to curb the draw on stocks, but regional balances remain tight and stocks have been well below the five-year average since May. Preliminary data from Vortexa show imports on 1-26 October up around 6pc on the month, having been steady in September at 890,000 b/d.

September's increase in Middle Eastern fuel oil arrivals in Singapore — these more than doubled to 266,000 b/d — has continued in October. Availability of fuel oil for export from the Middle East has risen with the end of the summer cooling season, but more of the volumes seem to be transiting the strait of Hormuz, probably before STS transfer near Fujairah. But increasing Iranian attacks on commercial vessels mean it is uncertain whether these volumes can be sustained.

Singapore fuel oil stocks ***mn bl***



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Americas

North America bunker forecast											$/t
	Aug 26	Sep 26	Oct 26	Nov 26	Dec 26	Jan 27	Feb 27	1Q27	2Q27	3Q27	4Q27
Crude price forecast											
WTI Houston	652	768	758	805	730	718	678	688	688	691	671
Conventional											
Fob Houston											
3.5%S HSFO 380cst	437	490	526	514	497	475	441	465	492	496	447
0.5%S VLSFO	673	728	743	794	721	691	651	667	655	652	618
Dob Houston											
3.5%S HSFO 380cst	474	512	596	588	538	495	461	481	500	518	484
0.1%S MGO	1334	1476	1417	1375	1313	1273	1232	1233	1094	1000	986
0.5%S VLSFO	679	733	765	806	723	688	644	661	647	644	612
Alternative											
Dob US Gulf coast											
$/t VLSFOe											
Grey methanol	885	1005	1076	1114	1095	1088	1098	758	1066	1001	813
$/t MGOe											
Grey methanol	940	1068	1142	1198	1178	1170	1181	815	1146	1076	874
North America bunker marker											
Grey ammonia fob Caribbean $/t VLSFOe	1303	1162	1159	1297	1251	1240	1263	1255	1106	914	987
Grey ammonia fob Caribbean $/t MGOe	1401	1250	1247	1395	1346	1333	1358	1350	1189	983	1062

Prices

Conventional fuels

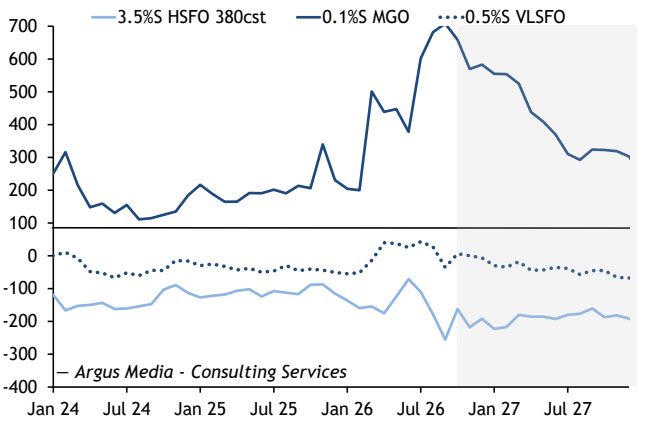
US Gulf coast VLSFO rebounds on lower WTI

Delivered VLSFO cracks rebounded in October, returning to a premium of $6.38/t to WTI Houston. Softening crude — WTI fell by $9.26/t in October on ample supply and reduced export demand — has supported VLSFO cracks as tight fundamentals underpin outright prices. But WTI is expected to recover in November, as the discount to North Sea Dated normalises, which will limit crack spreads even as outright prices stay strong.

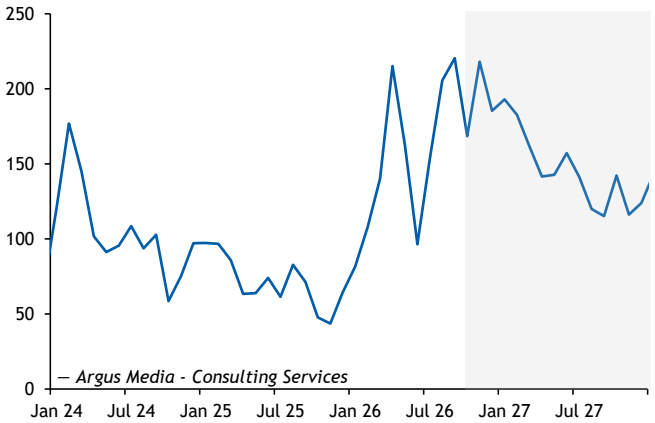
Feedstock markets softened in October, low-sulphur VGO crack spreads fell for the second month in a row, increasing the availability of these components in the low-sulphur blending pool. But with the end of refinery maintenance and expected rises in secondary unit runs, demand for feedstocks from refiners is likely to rise. This will tighten availability of lower-sulphur blendstock, supporting VLSFO values.

US fuel oil production has been robust in September and October, rising on the year by 9pc and 3pc, respectively, according to EIA data. But with Trump's threatened diesel export ban not materialising, refiners will continue to focus on maximising diesel output, which will weigh on fuel oil yields.

USGC bunker cracks vs WTI Houston $/t



VLSFO-HSFO Houston ex-wharf spread $/t



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Low stocks support US Gulf coast HSFO

Like VLSFO, HSFO crack spreads were supported by WTI Houston softening in October. HSFO crack spreads rose by $93.35/t to $596.35/t. Stronger WTI will weigh on HSFO crack spreads in November. But a strong global HSFO complex and low inventories will support outright HSFO prices. US residual fuel oil inventories were at 23.7mn bl on 16 October, 10pc below the five-year rolling average, EIA data show.

Exports of heavy sour crude to the US from Venezuela were on track for a 10 month low in September of around 320,000 b/d, according to preliminary Vortexa data. While below summer's pace, this is still well above year-ago levels, so should help maintain robust domestic supply of HSFO. Venezuelan heavy sour crude exports have risen since the removal of President Nicolas Maduro, with most heading to the US. In March-September, 53pc of Venezuelan exports flowed to the US. Overall exports from Venezuela are on track to be lower this month, reflecting logistical and loading problems rather than a drop in production. We could see a rebound in volumes sailing for the US in coming months, which would put some downwards pressure on HSFO prices.

US imports of fuel oil from Venezuela have also picked up in 2026. But this has not offset a drop in arrivals of Mexican fuel oil, which also has a high sulphur content. Combined US imports from Brazil and Mexico are at a 10-month low of around 100,000 b/d in October, according to Vortexa data, supporting HSFO crack spreads.

Demand

Strong crude, product exports support demand

Conventional bunker demand in the Americas is set to continue to grow in 2026 — by 1.9mn t to 39.5mn t. Like Europe and Asia, the region has seen additional demand displaced from the Middle East, a trend we expect to continue into 2027. Crude and product exports from across the region, but in particular the US, have also been supported by the war, as buyers have looked to replace Middle East supply. US crude and product exports in April-September averaged 12.5mn b/d, up by 17pc on the year. Not only have exports risen, trade routes have lengthened, further supporting bunker demand. US crude exports bound for Asia in April-September were 46pc up on the year.

In 2027, we expect modest conventional demand growth of 0.2mn t to 39.7mn t. While we expect crude flows through the strait of Hormuz to rise, some demand will remain displaced from the Middle East. In addition, crude and product flows — and therefore bunker demand — will stay supported. Even as Middle Eastern crudes are increasingly available, refiners will want to diversify their slates away from the Middle East, maintaining demand for US and Latin American crudes, while a need to refill product inventories across the world will back up export demand.

But by 2028 conventional bunker demand will start to decline, by 0.5mn t to 39.2mn t. In part reflecting continued normalisation of global bunkering demand, as the Middle East's share of demand rises, but also reflecting increasing demand for alternative fuels.

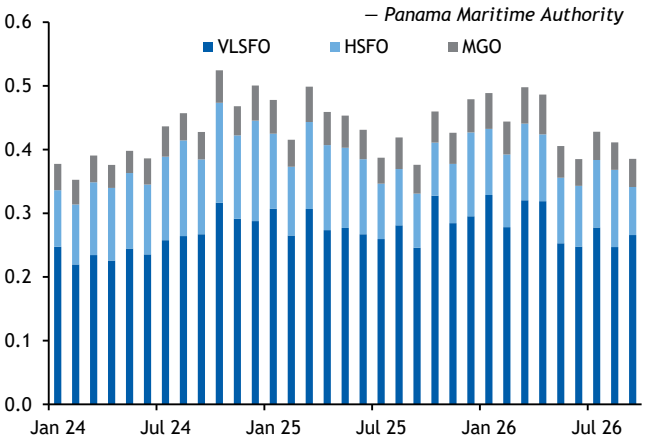
While alternative fuels have not yet seen the same support as in Europe, demand in the Americas is growing with more policy drivers outside of the IMO. Brazil, for example, is planning to establish a sustainable marine fuels policy before the end of the year.

Americas bunker fuel demand					mn t
	2024	2025	2026	2027	2028
VLSFO	16.8	16.7	17.6	17.3	17.0
HSFO	5.5	5.9	6.7	7.0	6.9
MGO	14.8	15.0	15.2	15.3	15.3
Total	**37.0**	**37.6**	**39.5**	**39.7**	**39.2**

Vessel transit caps weigh on Panama bunker sales

Bunker sales at the Panama Canal were weak in September, dipping below 400,000t for only the second time in 12 months, according to the Panama Maritime Authority. At 385,400t, sales were still up by 2.5pc on the year. Sales were undermined by limits on vessel transit numbers, which were further reduced in September. The restrictions reflect

Panama bunker sales *mn t*



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below average rainfall in 2026 and low water levels at the Gatun lakes, which feed the canal. The transit cap fell twice in September — initially to 34 a day and then to 32 a day in the middle of the month.

Rising water levels and close to average precipitation allowed transit numbers to rise again in October, but only by one vessel a day from 15 October, so sales are likely to remain subdued. But transits should at least not fall any further in the coming months.

Sales of VLSFO bucked the trend, rising both on the month and year by 8pc to 265,800t in September. The month-on-month rise reflects improved availability.

Supply

US fuel oil output up on year on light maintenance

A lighter maintenance season has kept crude runs and fuel oil output at US refineries up on the year in October. Runs averaged 16.6mn b/d on 1-16 October, according to EIA data. Fuel oil production is up by 3pc in October to 339,000 b/d. Maintenance at secondary units is a little heavier than the work at CDU units. We estimate CDU maintenance in October is down 50pc on the year, while maintenance at core secondary unit is down by 29pc, buoying fuel oil yields in the short term. But as maintenance season comes to an end, and secondary unit runs pick back up, fuel oil yields will probably fall. Refiners will continue to be incentivised to maximise middle distillate yields, as crack spreads stay extremely high, and as President Donald Trump's threatened diesel export ban fails to materialise.

Stocks in the US were little changed in October, falling by less than 0.1mn bl to 23.7mn bl, after a 1.2mn bl build in September. But they remain well below the five-year average, with fuel oil yields constrained over summer as US refiners prioritised middle distillates, even as runs were high. The stockbuild in September was supported by firm domestic production of fuel oil and strong imports, which reached a record 441,000 b/d according to Vortexa data. But arrivals are on track to drop to less than 300,000 b/d in October as flows of Latin American fuel oil to the US have slowed.

Regulation

Brazil advances framework for alternative bunkering

Brazil could set out a sustainable marine fuels policy before the end of this year, with a bill due to come before the lower house of congress. The scope of the regulation, decarbonisation targets and their methodology still need to be defined, as does which part of the supply chain will be covered. Targets are likely to be mandatory. Industry participants and government representatives expect the legislation to prioritise ethanol and biodiesel, given Brazil's production potential.

Brazilian bunker suppliers are urging hydrocarbons regulator ANP to include ethanol in its upcoming marine biofuels regulation, arguing the biofuel was only partially addressed in the initial proposal released for public comment.

The proposed regulation aims to align Brazil's bunker fuel framework with international standards and would allow suppliers to market biodiesel, hydrotreated vegetable oil (HVO) and gas-to-liquids (GTL) products without specific authorisation, provided the fuels meet ANP specifications. Ethanol, however, would remain subject to special authorisation requirements — a provision that has drawn criticism from bunker suppliers and ethanol producers.

Brazil currently lacks a comprehensive regulatory framework defining storage requirements and fuel specifications for biodiesel, HVO and ethanol sold for bunkering purposes Suppliers must obtain special authorisation from ANP to conduct alternative bunker fuel operations. Petrobras and Raizen are the only companies currently authorised to market bunker blends containing up to 24pc biodiesel. Ethanol authorisations have been granted on a case-by-case basis for testing purposes. Bunker One received approval earlier this year to conduct a 100pc ethanol bunkering trial.

At a public hearing, biodiesel and ethanol industry representatives supported introducing a mandatory 15pc biodiesel blend (B15) in marine gasoil.

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Middle East

Middle East bunker forecast											$/t
	Aug 26	Sep 26	Oct 26	Nov 26	Dec 26	Jan 27	Feb 27	1Q27	2Q27	3Q27	4Q27
Crude price forecast											
Dubai	632	807	791	801	756	759	715	725	696	665	628
Conventional											
Fob Fujairah											
3.5%S HSFO 380cst	533	607	648	652	522	525	495	509	525	525	472
0.5%S VLSFO	768	870	899	851	781	740	695	704	675	674	635
Dob Fujairah											
3.5%S HSFO 380cst	613	685	711	697	589	575	544	560	575	579	528
0.1%S MGO	1363	1579	1675	1442	1373	1275	1218	1223	1074	985	975
0.5%S VLSFO	798	933	957	909	826	785	740	747	699	694	655
Middle East bunker marker											
Grey ammonia Middle East fob $/t VLSFOe	1092	974	1148	1306	1340	1171	1081	1096	901	826	927
Grey ammonia Middle East fob $/t MGOe	1125	1003	1183	1345	1380	1206	1113	1129	928	850	955

Prices

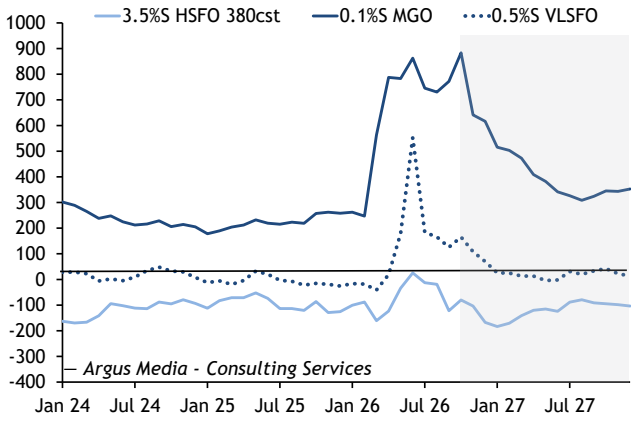
Conventional fuels

Tight availability keeps VLSFO cracks supported

Delivered VLSFO rose by $39.63/t in October to a $165.41/t premium to Dubai crude. Fujairah's fuel oil imports are still limp, but up March-August's very low levels. Fujairah imports in October are at 125,000 b/d, down by over 60pc on the year. While demand in the region remains well below pre-war levels, vessel movements through the strait of Hormuz are climbing, although this is difficult to gauge as many vessels operate for part or all their journeys with AIS turned off.

Fujairah has struggled to supply even limited bunker demand since the start of the US-Iran war, supporting VLSFO prices.

Fujairah bunker crack spreads vs Dubai crude *$/t*



It was dependent on supplies from within the Mideast Gulf, including from Kuwait's al-Zour refinery. LSSR arrivals from Nigeria's Dangote refinery in September boosted availability. While there have been no Dangote arrivals so far in October, two cargoes are en route. But availability will remain tight, keeping VLSFO prices supported.

Looking forward, our base case assumes that crude and product exports from the region continue to rise, with the current spike in tensions passing, supporting an increase in demand for low and high-sulphur bunker fuel. This underpins our expectation that bunker prices will stay firm, even as crude prices soften.

Scrubber spread steady in Fujairah

HSFO prices have risen by $41.66/t to an $80.06/t discount to crude, with similar fundamentals to VLSFO. Softening crude underpins the downtrend, but tight high-sulphur fuel availability will put a floor under weaker crack spreads over the coming months.

Fujairah received Russian fuel oil in September for the first time since the start of the US-Iran war and deliveries have continued this month. This is helping limit price rises and keep the scrubber spread steady, even as the global HSFO complex strengthens. The spread between delivered HSFO and VLSFO narrowed by just $2.03/bl on the month in October. But whether these volumes will be maintained is uncertain, as Russian fuel oil exports are vulnerable and there is competition for them from Asia.

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Prior to the conflict, Iran was a key supplier of HSFO to Fujairah, sending 77,000 b/d last year, Vortexa data show. But the war decimated these flows to just 4,000 b/d in April-September. Even as deliveries of fuel oil through the strait of Hormuz rise, this is unlikely to include Iranian volumes unless the US blockade is lifted. With Russian availability staying tight, this will support HSFO values in the coming months.

Fuel oil prices in Fujairah — regardless of the grade — hinge on the US-Iran conflict. Our working assumption is that tensions will ease, and vessel transits will continue to rise. But there remains significant risk that the war could escalate, particularly after the US midterm elections.

Demand

Fujairah bunker sales continue to rise in September

Bunker sales at the port of Fujairah in September were at their highest since the start of the war — 222,000t — but this was still down by over 60pc on the year. The month-on-month rise was driven by HSFO and MGO. VLSFO sales fell by 3pc on the month to 137,400t, with high prices weighing on demand. HSFO sales rose by 18pc on the month to 65,400t.

The port has struggled to meet even extremely subdued bunker demand, as it was dependent on fuel oil deliveries through the strait of Hormuz. But fuel oil receipts at the port more than quadrupled in September, including arrivals of LSSR from Nigeria's Dangote refinery. This is likely to continue to support higher sales into October, particularly as extensive ship-to-ship (STS) activity near Fujairah — to enable crude and product flows through the strait — will support bunkering demand. But we do expect this to remain well below pre-war norms.

Supply

Middle East refinery runs still well down on year

While fuel oil exports from the Middle East have been firm in October, they are still around 25pc down on September. Exports were at 721,000 b/d in September and 550,000 b/d on 1-16 October, according to Vortexa data. The rise in exports seen in September was primarily due to increased flows from Fujairah — likely to be volumes shuttled through Hormuz from the Mideast Gulf and then STS transferred close to Fujairah, as Fujairah could not support that level of exports from its own refinery production and blending. High outright prices incentivised shippers to increase deliveries of crude and products through the strait, although intensifying Iranian attacks have resulted in a sharp drop in transit. The rise in fuel oil deliveries has been more significant than the rise in clean product deliveries — probably because ship-to-ship transfer is more straightforward for fuel oil, as the requirements around specifications and the exact origin of the molecules are less stringent.

Flows of Iraqi fuel oil through the Syrian port of Banias have continued in October at a pace of around 90,000 b/d, similar to September but well below June-August. Trucking fuel oil to through Syria allows Iraq to circumvent Hormuz. As exports through the strait have climbed back up, reliance on the Banias route has waned. But with vessel attacks in the strait intensifying again, we are likely to see flows through Syria picking back up, with more heading to the Mediterranean rather than to Asia.

We expect a small quarter-on-quarter rise in Middle East refinery runs in October-December — by around 200,000 b/d to 7.9mn b/d — although this is still 1.2mn b/d below year-ago levels. We do not expect runs to approach pre-war levels until product exports from the Mideast Gulf can be sustained closer to pre-war levels. But in the near term, we should still see decent fuel oil availability — we are out of cooling season, and flows through the strait have risen.

It is unclear whether runs have risen at Kuwait's al-Zour refinery or whether VLSFO exports will be supported in the short term. Vessel-tracking data from Vortexa and Kpler differ regarding whether the refinery has been exporting fuel oil in September-October. We do not see runs at the export-orientated refinery rising significantly until there is more confidence about consistent use of the strait for exports.

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