Bunkering Market Report

December 2023

Brent Crude Market Analysis & Forecast

December started dramatically with shipping being targeted in the Red Sea by Houthi rebels in Yemen, with Western Navies flocking to the area in order to keep maritime trade open and unhindered.

Some shipping companies opted to avoid the Red Sea altogether and sail around Africa, causing a spike in freight rates as well as higher demand for bunkers in the Mediterranean and West Africa.

Analysis showed that vessels avoiding the Red Sea could boost global bunker demand by 2%.

Early December

Crude prices, which had been on a bearish trajectory at the end of November, continued to slide ever lower.

Oil prices were trading at $78.91/b at the start of the month and fell as low as $73.26/b by mid-month.

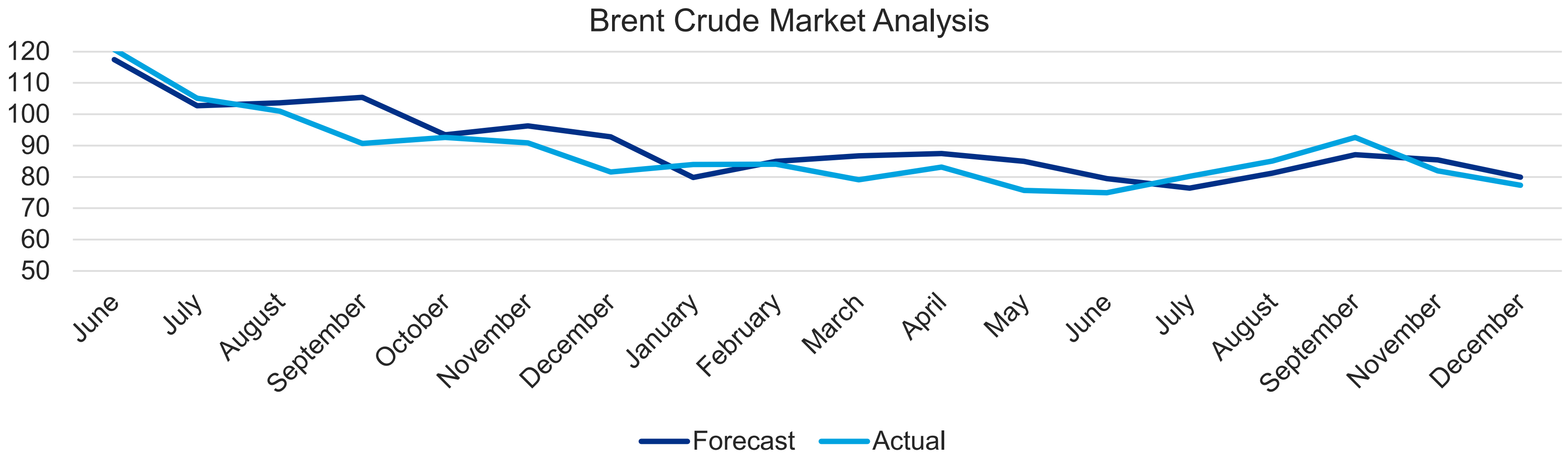
One key driver for the bearish trend in oil prices was market scepticism at the efforts of OPEC+ to reduce production levels lower as agreed by the group.

The additional production cuts were voluntary, and would need to be seen to be believed, as well as Angola announcing it was leaving OPEC as it did not want to lower production levels.

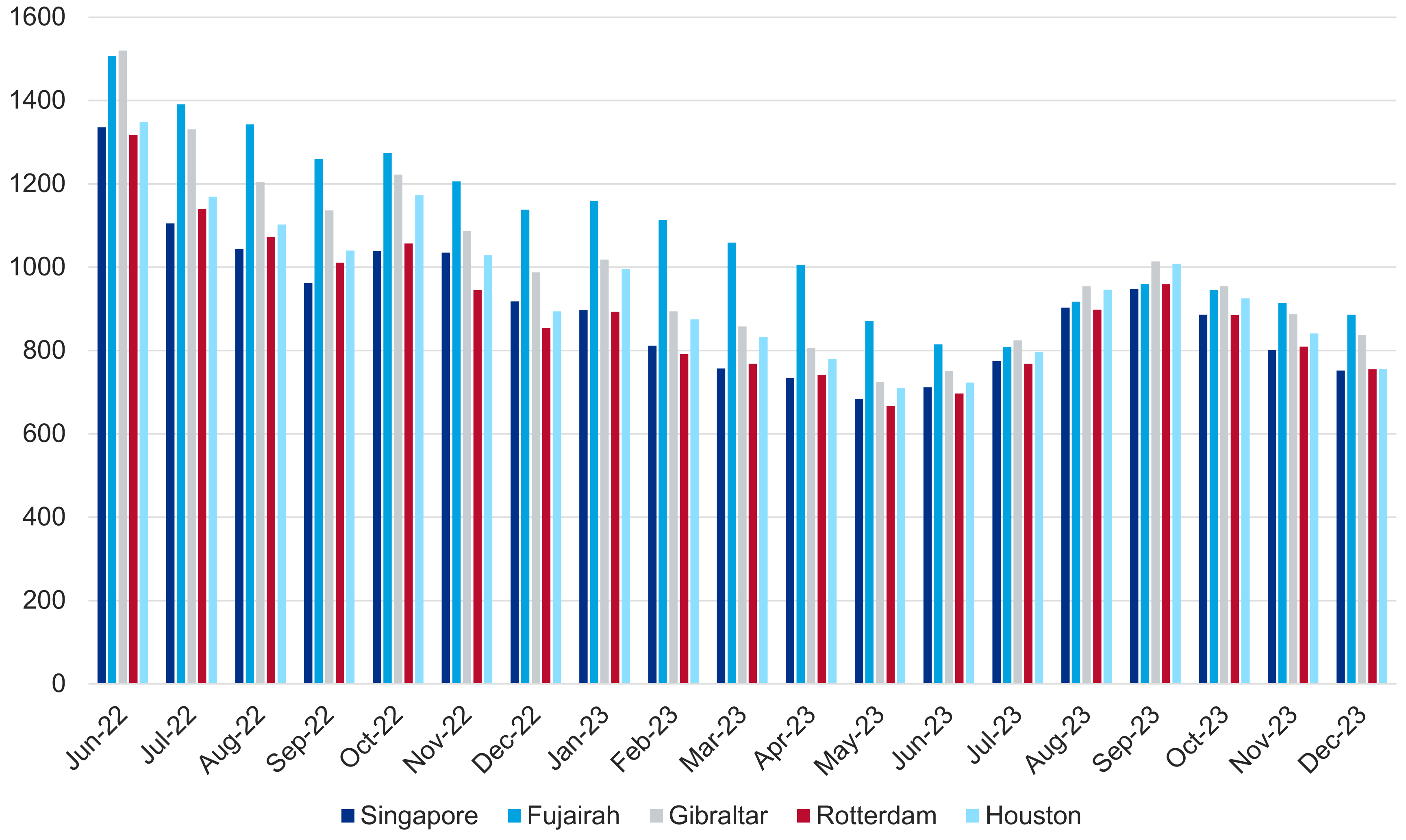
End of December

Oil demand also spooked the market causing prices to drop further, however, after the second decade of the month this had started to reverse with prices rising after US stocks had a big draw down on both crude as well as refined grades.

As most of the Western world took time off for the holidays, the oil markets were subdued with a slight bearish streak.



Global LSMGO Average Prices



Global VLSFO Average Prices