



Bunkering Market Report

January 2023

Brent Crude Market Analysis & Forecast

2023 kicked off the new year with Brent crude on a bullish streak starting the year trading at \$82.41 and then dropped over 5% on the second day of trading to \$78.04/b.

As in 2022, it was the usual suspects that made the market come off, the China Covid situation and fears of a looming global recession.

The IMF had also noted that economies in the US, Europe and China were all slowing down at the same time, raising the chances for a global recession.

On the very same day, OPEC announced that member state Nigeria, had cracked down on theft and thus reversed a slump in production contributions bringing the oil cartel to 29.14 million bpd of production.

Early January

In the first week of the year, further losses for Brent crude materialised as the WHO revealed it suspected that the Covid death rate in the country was underrepresented.

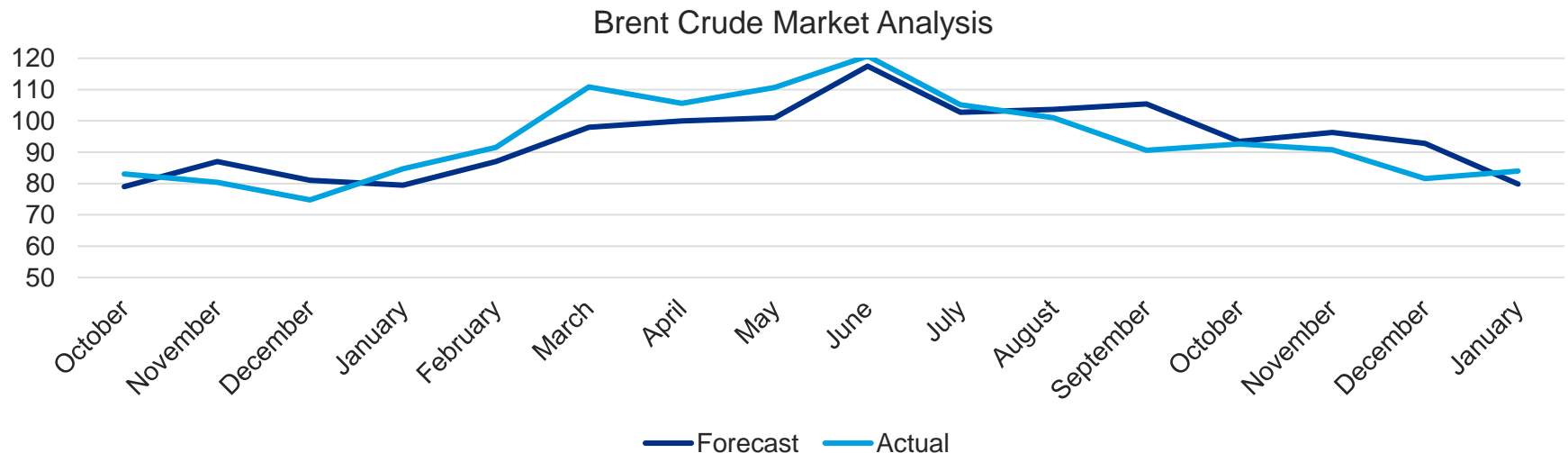
The first rebound for Brent happened on January 10th, with Brent reaching \$82.92/b on the back of news that China was reopening its borders to foreign travellers, and Beijing announcing a 20% increase in crude oil import quotas.

This signalled to the market that oil demand in the world's most populous country was on the increase. The market was also encouraged by news from the US Federal Reserve that it may be pursuing a gentler, kinder interest rate policy.

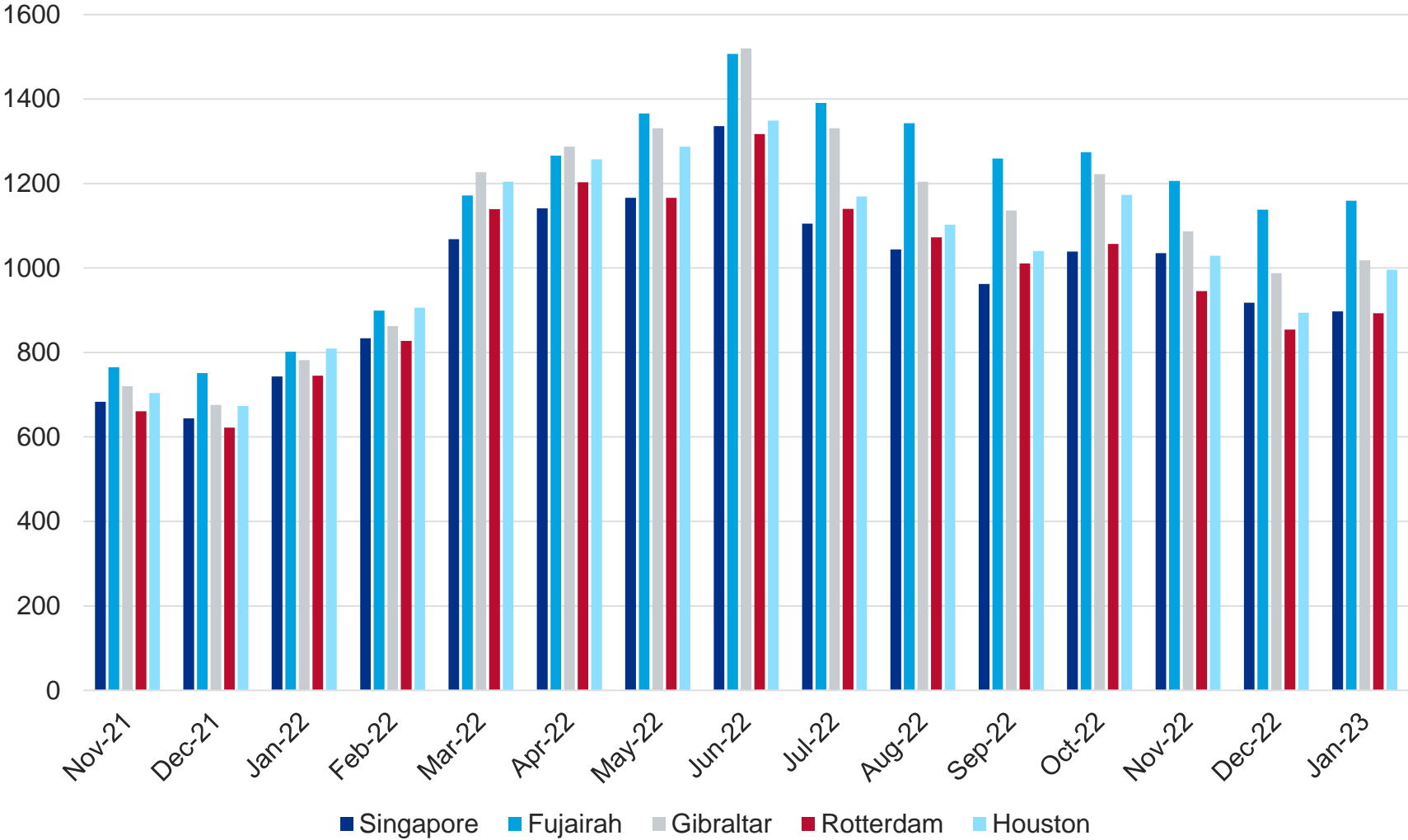
End of January

By the middle of January, industry website ship & Bunker, revealed that the recent gains for Brent crude had led to the biggest rise in global VLSFO prices for 3 months.

By the last decade of the month, fears of a recession trumped any optimism regarding China, and Brent crude lost over 2% in value. This bearish theme would continue for the rest of the month, closing at \$83.01/b.



Global LSMGO Average Prices



Global VLSFO Average Prices

