



Bunkering Market Report

July 2022

Brent Crude Market Analysis & Forecast

July started very much in the volatile spirit that we saw in June, with Brent crude opening the month at \$113.77/b.

Early July

During the first week of the month, oil traders became increasingly worried that a US recession was unavoidable. This caused the WTI benchmark to settle below \$100/b for the second consecutive day on July 6th.

There were still some supply side concerns that it would not keep up with demand, however, concerns about a looming recession in the US caused Brent to also settle below \$100/b in the first week of the month.

Mid July

By mid-month, Brent had recovered somewhat to reach a high of \$107.23 as the market continued to worry that high oil and gas prices would lead to demand destruction.

In the US, inflation hit 9.1% year on year as gasoline demand in the peak summer driving season was down 8.06 mbpd, which was the lowest demand seen since 1996.

The international Energy Agency also expressed concerns that sustained high energy prices were leading to demand destruction. In Singapore, VLSFO premiums reached an all time high over ex-wharf prices of over \$110 pmt, caused in part by low middle distillates stocks, a shortage of low sulphur fuel oil and a heavily backwardated market.

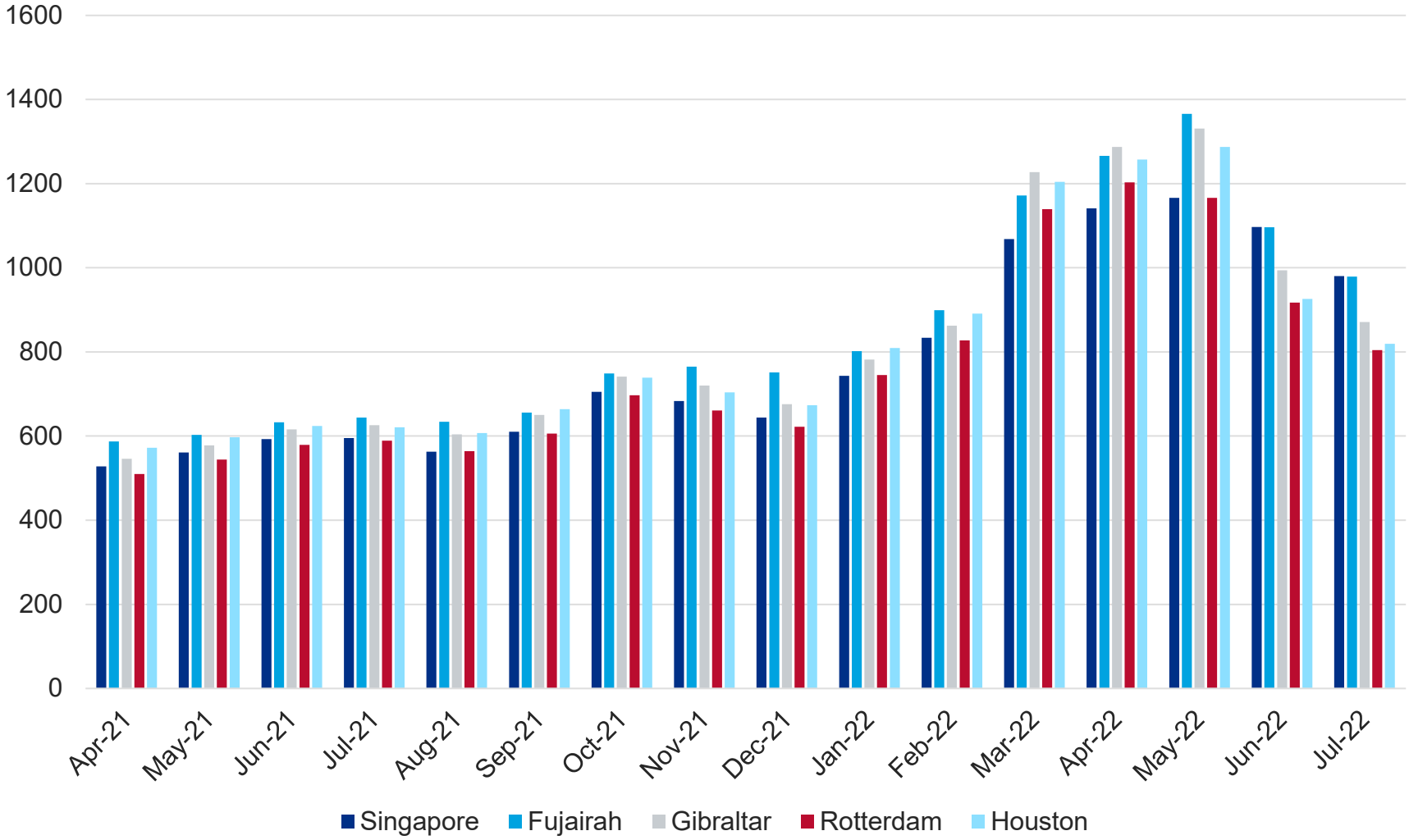
Late July

Towards the end of the month, Brent crude fell over 7% as concerns over supply side issues and demand destruction persisted.

In Fujairah, heavy rains flooded the port and most oil terminals which suspended bunkering operations for a couple of days.

Brent settled at \$99.91/b as the market seemed more concerned about a recession as opposed to any supply side fears.

Global LSMGO Average Prices



Global VLSFO Average Prices

