



Bunkering Market Report

June 2022

Brent Crude Market Analysis & Forecast

Brent crude started the month at \$117.99/b after a volatile but on the whole bullish May.

Brent remained bullish for the first week of the month as supply concerns outweighed inflationary pressures and fears of a global recession looming.

June also saw the annual meeting of the IMO's MEPC committee which approved a Mediterranean ECA from 2025 onwards.

Towards the end of the month, fears of a recession were becoming evident in commodity prices across the board with Brent losing over 10% since the start of the month. The bearish, but volatile, mood continued with Brent ending the month at \$111.38/b.

Geopolitical News

The EU agreed a ban on insurance for ships carrying Russian oil that will come into effect at the end of the year, which helped Brent reach a monthly high of \$123.65/b for June. OPEC also announced a disappointing output hike of only 648kbpd.

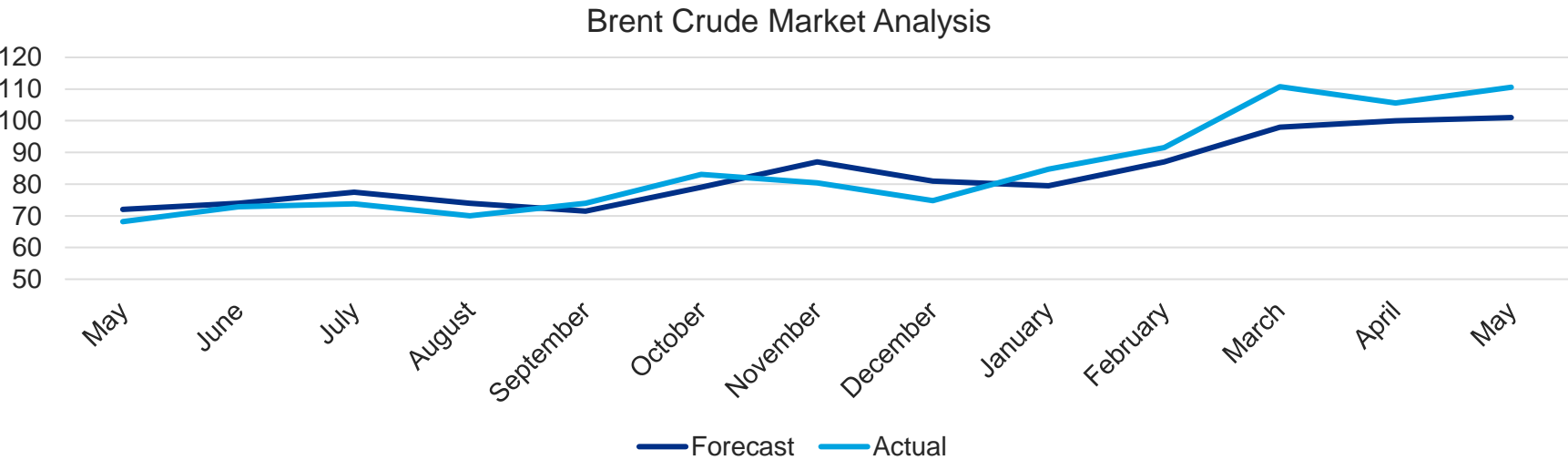
President Biden had also pressured Saudi Arabia and the UAE to increase production to help bring oil prices down, however, there were concerns in the market that neither producer was able to increase production in a meaningful way.

Around the World

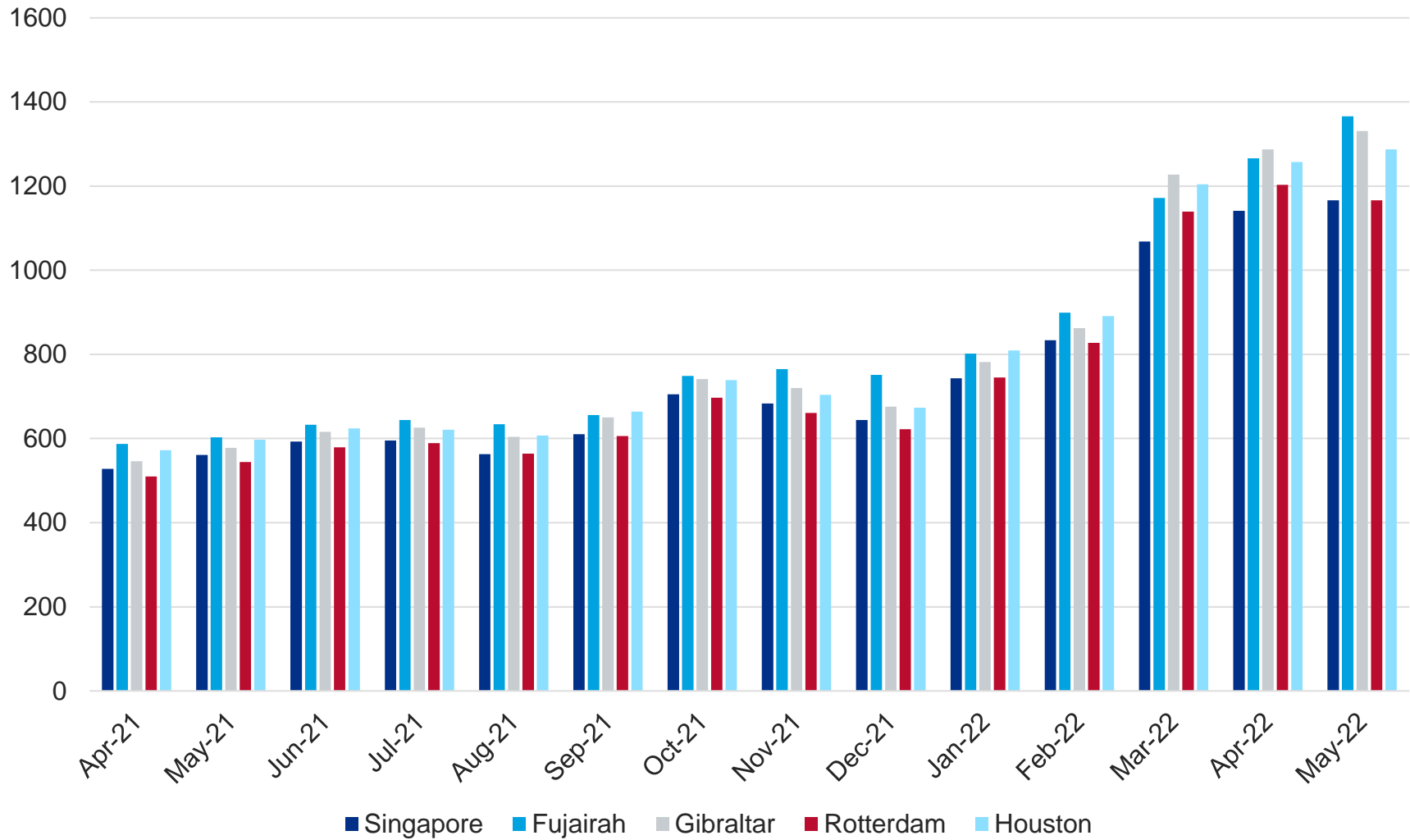
In China, President Xi's zero Covid policy led to a resumption of lockdowns in Shanghai and mandatory Covid testing in Beijing which helped set crude prices on a bearish path for the remainder of the month.

In the US, energy stockpiles of crude were heavily drawn down, whereas there was a build on refined products, which helped grow fears that rising fuel costs were leading to a recession in the world's largest economy.

In Singapore, a shortage of VLSFO combined with high distillate prices saw the spread between HSFO and VLSFO reach all time highs of over \$500 pmt.



Global LSMGO Average Prices



Global VLSFO Average Prices

