



# Bunkering Market Report

December 2022

# Brent Crude Market Analysis & Forecast

December started the month with Brent crude prices having had a bearish November at \$85.90/b and yet again two news items were the dominating factor in both crude and commodity prices, one being Covid in China and the other being concerns for the global economy.

Also on the first day of the month, the EU finally agreed the price cap for Russian oil at \$60/b. The OPEC group met on December 4<sup>th</sup>, and agreed to stick to its 2mbpd cut to production that was agreed at the previous meeting. The next day saw a wider commodity sell off due to concerns about a global recession, dropping \$2.89 to close the day at \$82.68/b.

## Early December

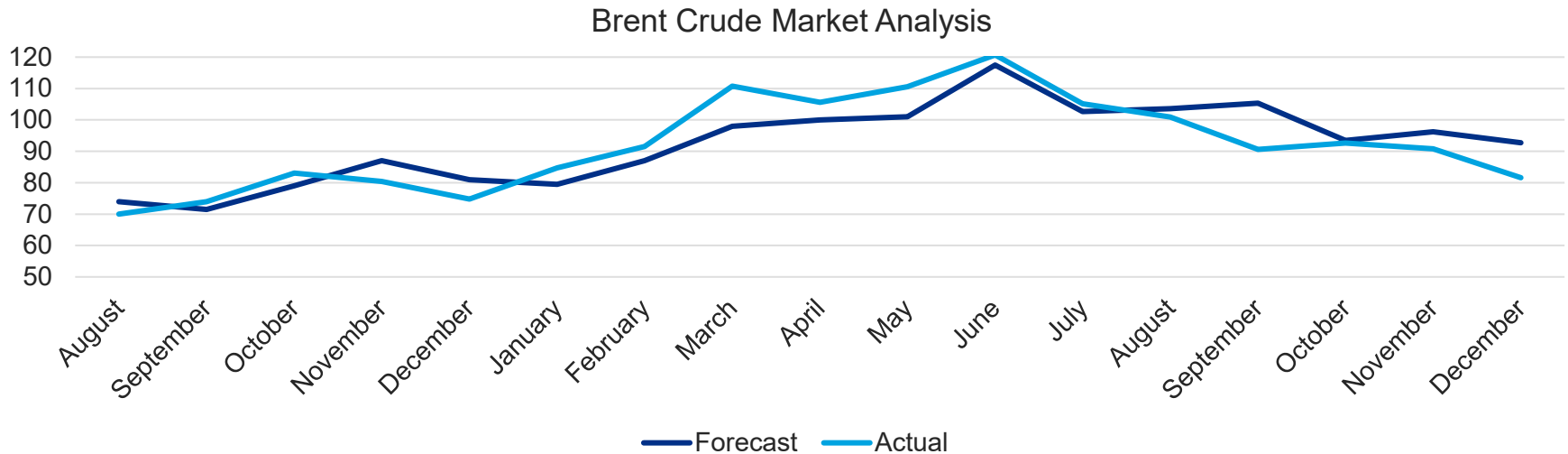
On the 7<sup>th</sup> December, Brent crude made further losses, offsetting all the gains made in 2022, closing the day down \$3.33 at \$79.35/b. Again, worries about the economy was behind this drop.

On the 9<sup>th</sup> December, Turkish authorities made changes to vessel insurance rules that resulted in a tanker traffic jam outside Istanbul. Turkish authorities had wanted P&I clubs to guarantee that they would cover the vessels loading in Russian Black Sea ports for any eventuality. P&I clubs rejected this and the stand off continued for a few days.

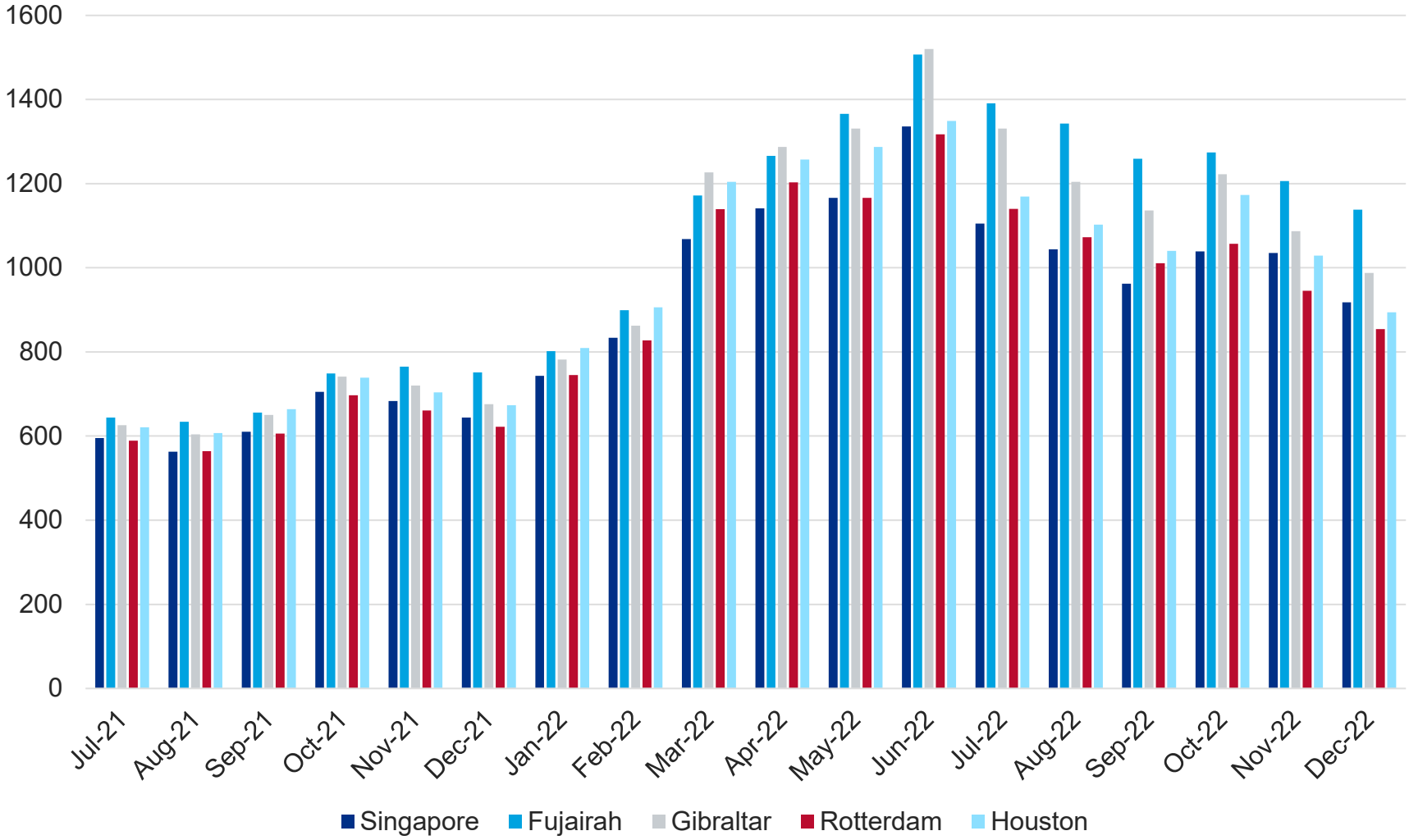
## Second half of December

By mid-month, Brent had recovered back above the \$80 level and closing at \$82.66. The main reason for the rise in oil prices was the IEA forecasting strong oil demand in 2023 due to the Russian invasion of Ukraine and sanctions.

The IMO also confirmed that it would designate the Mediterranean Sea a new ECA zone and that it would come into force on May 1<sup>st</sup> 2025. Brent continued to be volatile as the world started to prepare for Christmas holidays and the New Year. The month closed with Brent at \$85.95, just 5 cents shy of the start of the month.



# Global LSMGO Average Prices



# Global VLSFO Average Prices

