



Argus Marine Fuels IMO-Compliant Fuel Oil at New York and Houston

Bunker pricing for an emerging market

What has Argus launched?

An IMO-compliant 0.5% sulphur fuel oil price assessments for bunkering at New York and Houston. Launched on 10 June 2019.

Why New York Harbor and Houston?

New York Harbor is the biggest bunkering location on the US Atlantic coast and Houston is the biggest bunkering market on the US Gulf coast.

In New York, residual bunker fuel sales are around 1.0-1.4mn t a year and marine gasoil (MGO) sales are around 390,000-400,000 t a year. Houston residual bunker fuel sales are about 3.5mn t and MGO sales about 850,000 t a year. Maersk earlier this year announced that it will be supplying 0.5% sulphur fuel oil from US independent refiner PBF Energy on the US Atlantic coast. Other suppliers are also considering their blending and production options in New York. Shell has announced that it will make 0.5% sulphur fuel oil available in Houston for 2020.

What are the specifications for the price assessments?

Argus' new assessments are for 0.5% sulphur fuels meeting the ISO RMG380 quality standards. New ISO standards are still under discussion, and in the world of 0.5pc sulphur fuels, many "limiting" specs are no longer constraints on the market. Most blends come in well below existing viscosity and density maximums, many of them meeting the 80cst viscosity "RMD" standard. Meanwhile, ship operators worry that loose density and viscosity standards will allow non-bunker-suitable material to find its way into the bunker pool. Argus will expect to tighten, adjust and focus quality specifications as the industry standard and market-traded fuel qualities emerge.

The Houston and New York price assessments are for ex-wharf deliveries ranging between 500-2,000 t. They will be published daily in \$/t. The delivery timing is 2-7 days ahead.

Why now?

The IMO 2020 regulation will cap marine fuel sulphur content at 0.5%, down from current levels of 3.5%. Even though the requirements do not take effect until 1 January 2020, and the market is not trading yet, refineries and blenders have been testing compliant fuels since the end of 2018 and have a good idea of what they can offer to their shipping customers. The new price will provide guidance to ship owners and ship charterers who bunker in New York Harbor and in Houston and are looking for price references to decide on their bunkering strategy for 2020.

How does Argus assess these prices?

Argus has decades of experience pricing emerging fuels markets. To establish the price of 0.5% sulphur marine fuels, we survey New York and Houston bunker suppliers and traders about their indications and deals, as well as use a combination of blend calculations and statistical correlations. For more information on our methodologies, visit www.argusmedia.com/en/oil-products/argus-marine-fuels.

Where do I find the prices?

The price is published in the daily [Argus Marine Fuels](#) report and will show in the Argus database as “Fuel oil bunker 0.5% 380cst New York ex-wharf” and “Fuel oil bunker 0.5% 380cst Houston ex-wharf”.

What other IMO-compliant fuel assessments do Argus publish?

Argus publish price assessments for Low Sulphur Fuel Oil (LSFO) in other key ports around the world, including; Los Angeles, the US Gulf Coast, New York, Panama, ARA, St Petersburg and Ust Luga, Novorossiysk, Fujairah, Singapore and Zhoushan.

Where can I find out more about IMO2020?

For the latest news, insight and market activity related to the IMO’s 0.5% sulphur cap, visit the Argus Hub page: www.argusmedia.com/imo2020

We welcome your methodology and price assessment inquiries on marinefuels@argusmedia.com.