# Alkagesta Commodity Market Insights: Rhine Logistical Gridlock and Persian Gulf Supply Squeeze

**Friday 9 October, 2026**

Alkagesta, the international energy and commodity trading house headquartered in Malta, has released its October 2026 Commodity Market Insights report, offering a detailed assessment of the simultaneous supply disruptions weighing on global fuel oil markets.

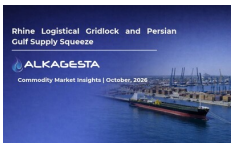
The analysis centres on two structural dislocations unfolding in parallel. In Europe, record-low water levels along the Rhine — dropping to -5 cm at the Kaub chokepoint on 1 October — have brought Upper Rhine barge traffic to a standstill. Major inland refining complexes have been forced to cut barge loadings significantly, leaving nearly one million metric tonnes of fuel oil stranded at ARA coastal ports while inland German and Swiss depots face deepening shortages ahead of the winter heating season. Swiss heating oil costs rose 8% month-on-month in September alone, reaching their highest level since 2022.

Across Asian markets, the ongoing friction affecting Persian Gulf crude and feedstock flows has compounded existing supply constraints in Singapore. Western arbitrage inflows into the hub are projected to fall to 1.5–1.6 million mt in October, tightening prompt VLSFO availability and pushing delivered bunker premiums to a one-month high of $70.33/mt. Singapore onshore heavy distillate stocks fell 5.3% to an six-week low, while Fujairah residual stocks dropped 30% week-over-week. These dynamics are consistent with the operational environment Alkagesta's Singapore hub has navigated since commencing operations in mid-2025.

The report also notes that high-sulfur fuel oil demand across South Asia — where utility buyers in Bangladesh, Sri Lanka, and Pakistan have substituted fuel oil for disrupted LNG supplies — continues to provide structural support to HSFO crack spreads across both Asian and European hubs. September Singapore fuel oil paper trading volume surged 65.8% month-over-month to 27.12 million barrels, with HSFO swaps reaching their highest monthly volume since September 2022.

With the East-West arbitrage window firmly closed, both markets are expected to remain in backwardation through the near term. The full report is available on the Alkagesta website.

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## Related Keywords:

Uel Oil Market :: VLSFO :: HSFO :: Rhine River :: ARA Inventories :: Singapore Bunkering :: Marine Fuels :: Bunker Premiums :: Backwardation :: Arbitrage :: Commodity ::

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