

WEEKLY REVIEW OF BITUMEN MARKET IN IRAN & THE WORLD



Bitumen Petro Co.

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Highlights

- Russia's diesel and gasoil exports fell 21% in May from April to 3.1 million tonnes due to refinery maintenance and a soar in regional demand.
- The biggest carbon capture plant in Asia is going to get launched by China Energy Investment Corporation at one of its thermal coal power plants.
- Chief executive at QatarEnergy, Saad al-Kaabi, said on Thursday "QatarEnergy has signed an agreement to supply liquified natural gas to Bangladesh's state firm PetroBangla for 15 years beginning in 2026."
- According to OPEC+ sources, "The OPEC+ group is not expected to announce another round of oil production cuts when ministers meet on June 04."
- The API report demonstrated on Wednesday that, crude oil inventories in the U.S. increased this week by 5.202 million barrels while analysts were expecting a 1.22-million-barrel drop.
- Natural gas prices in Europe declined on early Wednesday due to weak demand, higher than usual inventories and an increase in renewable energy output in recent days.
- The secretary general of OPEC announced on May 30 "OPEC will welcome the return of Iran to the international oil market once the U.S. lifts sanctions from Tehran."
- According to KazMunayGas officials "The state oil and gas firm and China National Petroleum Corporation are discussing the possible expansion of two oil pipelines."

Iran Bitumen News

- Last week 134,000 MT VB were supplied in IME, by 53% increase 253,655 MT demand were registered. In prior week, the supply rate rose by 61,000 MT clearly the whole amount was sold and statistically fluctuation trend was from 0.2%- to 13%-. Due to outputs from Abadan and Bandar Abbas refineries, the amount of offers have soared and Arak VB with 13% decreased the most. Furthermore, VB close price and IME's export bitumen ratio reached 78%, also VB's average value in Free Market USD assessed at 275\$. In addition, VB's value in the Center of Exchange Dollar Bill have reached 227\$.
- Supplies in IME's export market were around 42,000 MT, although it was 14,600 MT less than the monthly average of prior month. Due to halted offers from Bandar Abbas Jey Oil total amount of supplies declined. For this amount of outputs, 30,400 MT demand were registered and as demand was weak, all supplies were not traded. Considering the free market USD to IRR exchange rate, at published date, the bargained equivalent rate for Isfahan Jey Oil Bulk and Drum Bitumen were 291\$ and 351\$ respectively. In addition, Bandar Abbas Jey Oil Bulk and Drum Bitumen were traded at 292\$ and 363\$. Also, Arak Pasargad Oil Bulk Bitumen was 285\$.
- The deputy minister of petroleum in refinement and distribution of petroleum products affairs said "According to quality-improvement program of petroleum products, the production percentage of fuel oil is supposed to decrease and it will specify to gasoline." He added, "45 to 46 million liters of fuel oil is now producing at all refineries and it requires a management, the program has been executed in Arak refinery and the share of fuel oil was plunged from 28% to below 10%."
- An agreement was signed between Ports and maritime organization and National oil refining and distribution company. According to the agreement, "While the National oil refining and distribution company is using jetties No. 3 and 4, maintenance of jetties No. 1 and 2 in Shahid Rajaei Complex include upgradation of facilities and piping will be done."

Analysts Comments



Ray Dalio, Bridgewater Associates founder isn't impressed by the debt-ceiling deal – and says the tentative agreement doesn't address the problem that the heavily indebted US government keeps borrowing more and more money. "It's a farce that works like a bunch of alcoholics who write laws to enforce drinking limits," Dalio added. "When a limit is reached, they do a farcical negotiation that temporarily eliminates the limit which allows them to have the next drinking binge until they reach the next limit." If their deal passes through Congress, it promises to stave off a potentially catastrophic default that Treasury Secretary Janet Yellen had warned could occur in early June. But lawmakers have acted 78 separate times to raise or extend borrowing limits since 1960, according to the US Treasury – and that's caused Dalio to slam the very concept of a debt ceiling in the past.

Steven Rattner The counselor to the Treasury secretary during the Obama	Sheharyar Bokhari Redfin Senior Economist	Bill Adams chief economist at Comerica Bank
<p>China has demonstrated its economy can continue outgrowing the US, Steven Rattner wrote in The New York Times, warning Americans against any illusions that suggest otherwise. But Rattner said that China has grown 14% since 2020, while the US grew by 6%, and this year China is expected to grow 5.2% compared to 1.6% in the US. "Yet while the Western press displays increasing skepticism, I believe China will continue to prosper.</p>	<p>"While investors have pumped the brakes on home purchases, they're still scooping up a bigger share of homes than they were before the pandemic, which can create challenges for individual buyers at a time when there are so few homes for sale," Bokhari said in the report. Home purchases by real estate investors fell 48.6% in the first quarter from a year ago, the largest annual decline since Redfin began tracking records in 2000, the company reported.</p>	<p>According to Adams, the, the rise in prices in March was due to a strong economy and low housing supply as homeowners stayed put with their lower mortgage rates. But the recent rally will likely reverse later this year, he said. "plentiful jobs, and strong wage growth are largely offsetting the headwind to housing from high mortgage rates," Adams told Insider. "I expect for national average house prices to edge slightly lower in the second half of 2023."</p>

Loading Report

****Due to confidential reasons we are not able to mention the full name of vessels****

May 27 - Jun 02

Jetty No.		PG1	PG4	PG6	PG7	PG9	PG10	Total Amount
Vessel Name								
MT L		4,700						4,700
MT M		2,100						2,100
MT P		10,000						10,000
MT G R			3,600					3,600
MT S				8,000				8,000
MT I				10,000				10,000
MT A					3,000			3,000
MT C 7						3,100		3,100
MT M1						5,400		5,400
MTR 1						3,500		3,500
MT A M							1,500	1,500
MT MB1							1,000	1,000
Total Amount	55,900	16,800	3,600	18,000	3,000	12,000	2,500	55,900

May 27 - Jun 02 Vessels Locations

****Due to Confidential reasons we are not able to mention the full name of vessels****

NO.	VESSEL NAME	FROM	TO	LAST LOCATION
1	MT L	FUJAIRAH, UAE	KHOR AL ZUBAIR, IRAQ	PERSIAN GULF
2	MT A	KHOR AL ZUBAIR, IRAQ	HAMRIYA, UAE	PERSIAN GULF
3	MT CH	HAMRIYA, UAE	BASRAH, IRAQ	PERSIAN GULF
4	MT S	AJMAN, UAE	AJMAN, UAE	PERSIAN GULF
5	MT G H	PIPAVAV, INDIA	KHOR AL ZUBAIR, IRAQ	PERSIAN GULF
6	MT G Q 1	KHOR AL FAKKAN, UAE	KHOR AL FAKKAN ANCH., UAE	OMAN GULF
7	MT G E	KHOR AL FAKKAN ANCH., UAE	KHOR AL ZUBAIR, IRAQ	OMAN GULF
8	MT H	FUJAIRAH, UAE	KHOR AL ZUBAIR, IRAQ	OMAN GULF
9	MT AB V	SHARJAH, UAE	SINGAPORE	WEST COAST INDIA
10	MT A M	MUSCAT, OMAN	MUSCAT, OMAN	OMAN GULF
11	MT N	NERMUT, TURKEY	FOR ORDER	GIBRALTAR
12	MT B M	MUSCAT, OMAN	PSQ	OMAN GULF

Mercantile Exchange

VB Transactions

Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	May 27 - Jun 02	May 20 - May 26	May 27 - Jun 02	May 20 - May 26	Change	May 27 - Jun 02	Monthly Average	May 27 - Jun 02	May 27 - Jun 02	May 20 - May 26	Last Month
Tabriz Refinery	0	0	0	0	-	0	600	0	0	0	0
Tehran Refinery	75,300	75,300	132,815	148,321	-10.5%	7,000	6,200	20,180	7,000	8,000	31,000
Shiraz Refinery	79,100	79,100	113,414	113,678	-0.2%	7,000	9,000	13,250	7,000	10,000	42,000
Esfahan Refinery	75,300	75,300	117,250	131,523	-10.9%	50,000	41,000	93,925	50,000	0	215,000
Abadan Refinery	75,300	0	107,480	0	-	15,000	8,000	32,000	15,000	0	55,000
Bandar Abbas Refinery	79,100	0	125,759	0	-	40,000	24,000	57,700	40,000	0	120,000
Arak Refinery	75,300	75,300	113,994	131,086	-13.0%	15,000	10,000	36,600	15,000	10,000	55,000
Total						134,000	98,800	253,655	134,000	28,000	518,000

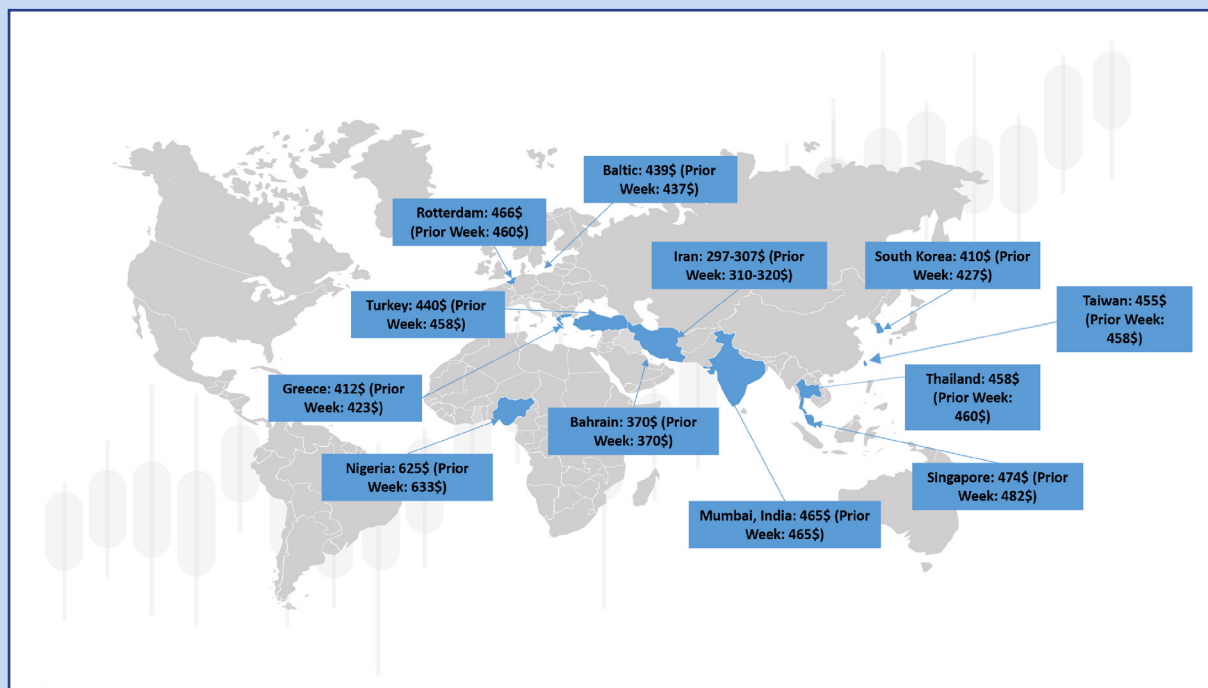
Export Bitumen Transactions

Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	May 27 - Jun 02	May 20 - May 26	May 27 - Jun 02	May 20 - May 26	Change	May 27 - Jun 02	Monthly Average	May 27 - Jun 02	May 27 - Jun 02	May 20 - May 26	Volume Change
Jey Oil - Esfahan - BEX	148,000	152,500	149,019	153,211	-2.7%	5,000	5,400	7,300	5,000	7,000	22,000
Jey Oil - Esfahan - GEX	180,000	180,000	180,000	183,348	-1.8%	4,000	4,000	700	700	10,000	19,200
Jey Oil - Bandar Abbas - BEX	0	162,500	0	162,500	-	0	9,200	0	0	2,200	27,200
Pasargad Oil - Bandar Abbas - BEX	150,000	161,000	150,000	161,000	-6.8%	10,000	7,000	3,200	3,200	500	9,500
Pasargad oil - Bandar Abbas - GEX	186,000	186,000	186,000	186,000	-	2,000	3,600	2,100	1,000	1,000	7,000
Pasargad Oil Abadan	149,400	149,400	0	149,400	-	5,000	10,000	5,000	0	10,000	31,000
Pasargad Oil Tabriz	158,000	158,000	0	158,000	-	1,000	1,400	0	0	700	2,200
Pasargad Oil Tehran BEX	149,000	149,000	0	149,000	-	3,000	3,000	0	0	2,000	4,700
Pasargad Oil Arak Bex	146,000	152,000	146,000	0	-	2,000	3,000	2,100	2,000	0	3,800
Pars Behin Qeshm Oil Refining	141,000	146,717	0	141,000	-	10,000	10,000	10,000	0	10,000	40,000
Total						42,000	56,600	30,400	11,900	43,400	166,600

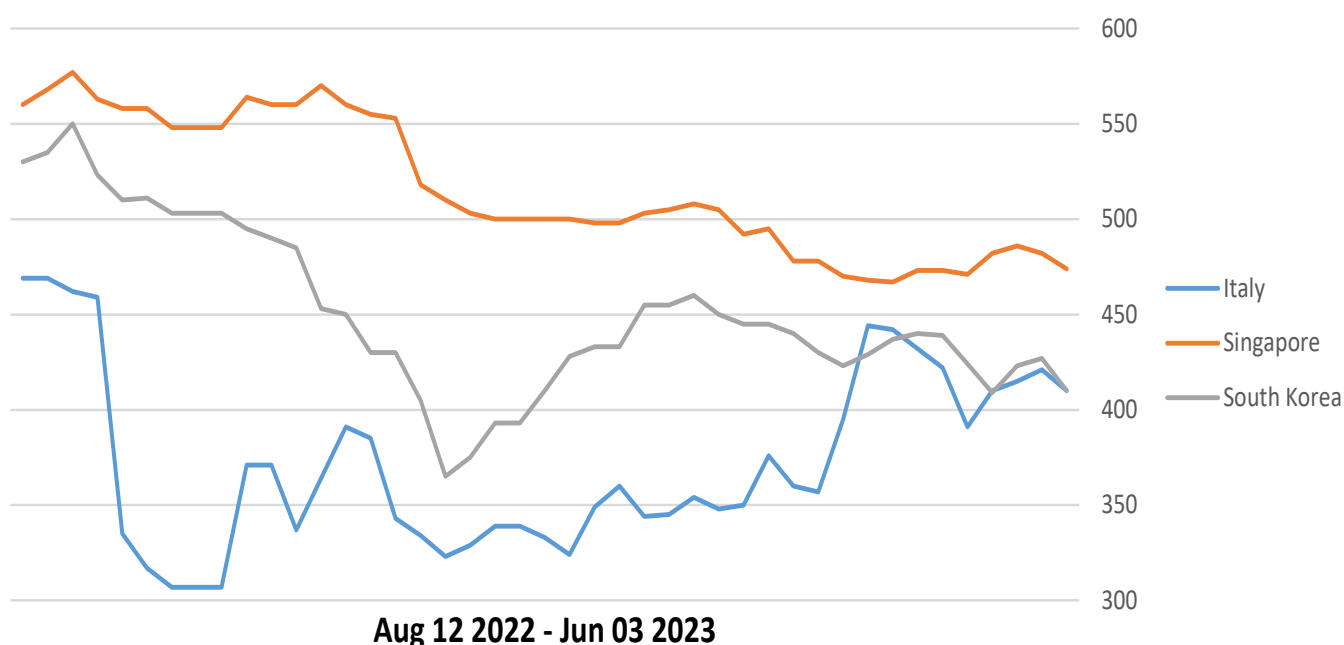
Bitumen & Jumbo Bag Prices

Product	Weekly Range - May 27 to Jun 02	Product	Weekly Range - May 27 to Jun 02
Drum FOB Private	365-375	Bulk FOB Private	297-307
Drum FOB Embossed	380-390	Bulk FOB Governmental	300-305
Jumbo Bag Governmental	-	Jumbo Bag Private	355-360
Bulk Ex-Work To Pakistan	-	Bulk Ex-Work Tabriz	290

Global Bitumen Prices



Prices Chart



Freight Rate



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From	To	Rate (\$)	To	Rate (\$)	To	Rate (\$)	Capacity - Foot
 Bandar Abbas	Nhava Sheva	250	Mombasa	1250	Bintulu	1350	20
	Kandla	300	Dar es Salam	1300	Aden	1250	
	Mundra	250	Djibouti	1200	Salalah	1250	
	Haldia	1400	Berbera	1600	Karachi	550	
	Chittagong	1150	Sudan	1600	Um Qasr	700	
	Colombo	1000	Aqaba	1350	Jakarta	850	
	Port Klang	300	Mugla	1900	Singapore	850	
	Jebel Ali	50	Kuching	1250	Maputo	2350	

Oil Market Analysis

Although the Brent crude transactions were bearish at first, but finally it traded above 75\$ as good news were supporting it. At the end of prior week, news covering China's attempts to recover the economy, the U.S. higher hourly earnings in private sector plus growing unemployment rate, support the prices. With OPEC+ meeting coming up this week, concerns about supply side are growing.



Oil Analysis

Daily Timeframe



1-hour Timeframe



Technical Analysis

According to long-term chart, the price is reaching the bottom of bullish channel (73\$) and fluctuation rate is much more than prior time-lines. In other words, reduction above 5% in coming week can lead the price to lower channel. If mentioned scenario happens, it is expected that the price could plunge to 57\$ per barrel. On the other hand, if the trend becomes bullish, price will be able to touch 92\$ per barrel. In one hour timeframe, still Fibonacci lines can be considered as support/resistance lines. Furthermore, it is expected that in coming week the price range will be 73 to 78 dollars per barrel.

Fundamental Analysis

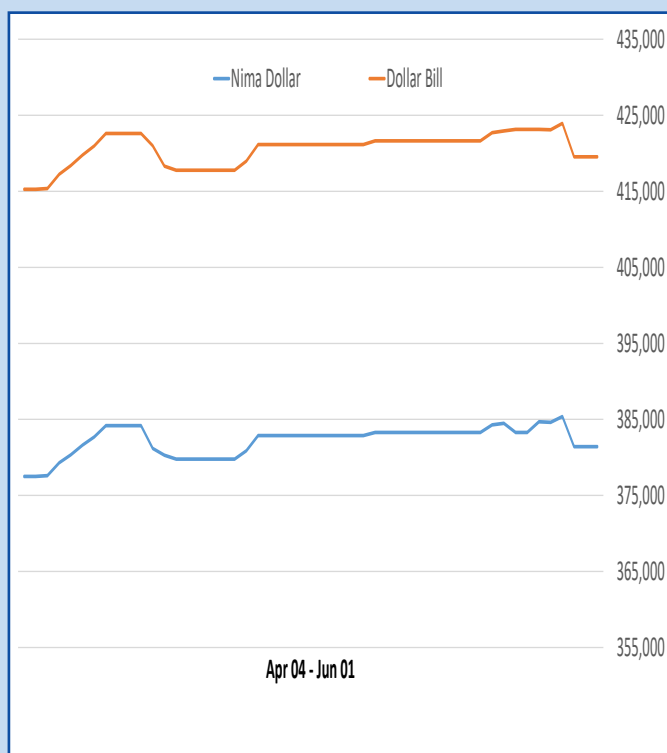
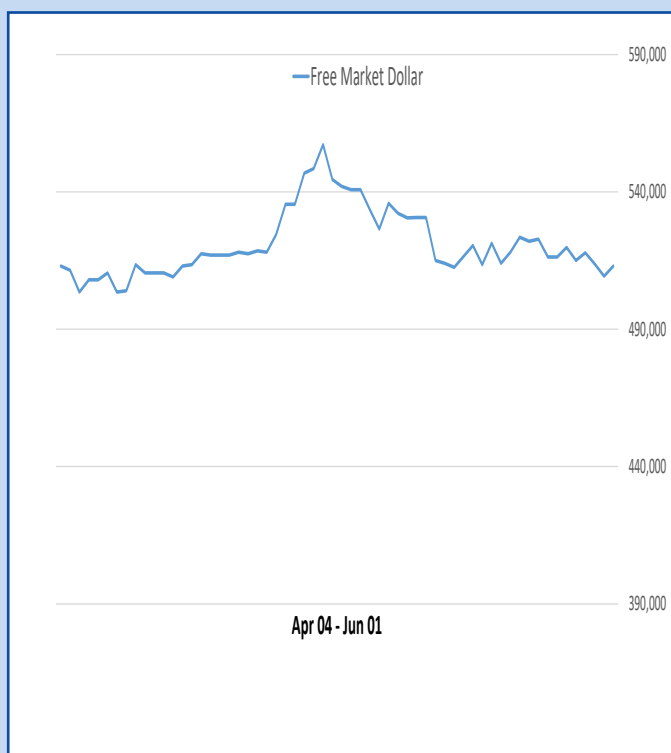
With enactment of the U.S. debt contract by senators and earnings report in prior week, the risks of a possible economic recession have reduced and the oil price gained more than 2%. The market is still looking forward to OPEC+ meeting while most of the market participants are not expecting another cut in OPEC+'s outputs. Although after Saudi Arabia's minister of energy warning to crude sellers and Russian deputy prime minister statements, concerns were increased. OPEC+ meeting will be held on Sat and Sun and the focus of it is the level of oil production. Goldman Sachs expects that the cartel will hold the outputs at current level as they only tend to analyze the impact of reduction on market. In addition, on Mon Vortexa reported that the weight of crude tankers, being static for at least about one month, reduced 0.5% and reached 93.59 million barrels.

Tag Dollar Market

With political good news published in prior week, the dollar trend became bearish. Center of Exchange Dollar price trend was a little bit different to Dollar Remittance.



Exchange Rate - USD/IRR



Description	Date	6/01/2023	5/31/2023	5/30/2023	5/29/2023	5/28/2023	5/27/2023
Iran Center of Exchange Dollar Remittance	Change	381,405	381,405	381,405	385,387	384,621	384,686
	Weekly Change	-0.5%	-0.5%	-0.8%	0.5%	-4.9%	0.0%
Iran Center of Exchange Dollar	Change	419,546	419,546	419,546	423,925	423,084	423,154
	Weekly Change	-0.9%	-0.9%	-0.8%	0.5%	-5.0%	0.0%
Free Market Dollar	Change	513,000	509,300	513,800	517,800	515,000	519,800
	Weekly Change	-0.6%	-1.4%	-1.6%	-1.1%	3.4%	10.3%

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