

WEEKLY REVIEW OF BITUMEN MARKET IN IRAN & THE WORLD



Bitumen Petro Co.

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Highlights

- OPEC+ cut its crude oil production by 670,000 barrels per day in May, as previous announcement of reducing outputs shocked the markets.
- The head of the United Arab Emirates state-run oil giant, ADNOC, announced on Thursday “The phasedown of fossil fuels is inevitable. The speed at which this happens depends on how quickly we can phase up zero carbon alternatives, while ensuring energy security, accessibility and affordability.”
- China has the potential of becoming the world’s largest green hydrogen importer by the end of this decade as in order to decarbonize several industrial sectors; it will need 13 million of hydrogen annually.
- On June 9 the US Department of Energy said it has made a deal with five companies to purchase 3 million barrels of crude in order to refill its Strategic Petroleum Reserve.
- As maintenance season ends and lower stockpiles, Chinese refiners crude imports soared in May to the third-highest level on record.
- According to IMF, Saudi Arabia’s growth is expected to decline to 2.1% this year due to reduce in outputs.
- After a major dam in Ukraine have collapsed and with European refiners concerns over transit issues and disruptions, June prices for Russian flagship Urals crude is are about to increase by 16% in comparison to May’s prices.
- Iranian Oil Minister, Javad Owji, said on Wednesday that, “Iran is looking to set up a natural gas hub in the Persian Gulf and is cooperating with Russia, Qatar and Turkmenistan.”
- After detecting a leak at Europe’s largest oil refinery, Pernis, a unit at mentioned refinery was halted.
- Saudi Arabia’s megaproject NEOM was able to secure 5.6\$ billion investment from local investors. Four local companies are going to construct temporary houses and facilities for some 95,000 workers in a public-private partnership deal.

Iran Bitumen News

- Last week 30,000 MT VB were supplied in IME, by 78% decrease 56,100 MT demand were registered. In prior week, the supply rate plunged by 104,000 MT clearly the whole amount was sold. Bandar Abbas refinery was the only supplier and close price for its VB decreased 5.8%. Due to halted outputs from all refineries except Bandar Abbas, the amount of offers have declined. Furthermore, VB close price and IME's export bitumen ratio reached 83%, also VB's average value in Free Market USD assessed at 235\$. In addition, VB's value in the Center of Exchange Dollar Bill have reached 275\$.
- Supplies in IME's export market were around 15,000 MT, although it was 39,800 MT less than the monthly average of prior month. Due to halted offers from all refineries except Pars Behin Qeshm Oil total amount of supplies declined. For this amount of outputs, 10,000 MT demand were registered and as demand was weak, only supplies from Pars Behin Qeshm Oil were traded. Considering the free market USD to IRR exchange rate, at published date, the bargained equivalent rate for Pars Behin Qeshm Oil was 284\$.
- Tabriz Oil Refinery Co. announced on Codal platform that, "due to maintenance under process in facilities, the sales amount of the firm have reduced and now it is in final steps."
- In prior week, financial statement of Soroush Bitumen firm, which is a subset of Pasargad Oil Co., was published. In the statement, the firm mentioned, "due to policies and objectives of Pasargad Oil in order to absorb more sales share in the market, Soroush Bitumen was accepted as a buyer in IME. The amount of commercial operations of the company have increased considerably and purchasing bitumen from Pasargad Oil will be based on IME price. (2,439 MT equivalent to 266 billion IRR in cash and 37,629 MT equivalent to 4,197 billion IRR in LC from IME with 1.75% monthly commission.)"

Analysts Comments



The chief economist of investment bank Goldman Sachs Jan Hatzius lowered the chances of a recession to 25% from 35% in a note on Tuesday. That call goes against a lot of the warnings CEOs and market strategists have issued over the past few months, as many were expecting a recession to happen by the middle of this year. Hatzius offered two other reasons why he sees lower odds of a recession, according to the note. A bipartisan debt ceiling bill cleared Congress last week, with President Joe Biden signing the legislation over the weekend. It suspends the debt limit until 2025, essentially removing the possibility of a default happening any time soon. "We have become more confident in our baseline estimate that the banking stress will subtract only a modest 0.4 percentage point from real GDP growth this year, as regional bank stock prices have stabilized, deposit outflows have slowed, lending volumes have held up, and lending surveys point to only limited tightening ahead," Hatzius said.

Jeremy Siegel retired Wharton finance professor	Jeff Greene Billionaire investor real-estate	Chamath Palihapitiya CEO of Social Capital
US house prices are at risk of dropping, as their recent gains combine with steeper borrowing costs to price out prospective homebuyers, Jeremy Siegel has warned. "The higher interest rates and 40% increase in home prices more than doubled the cost of homes for buyers," the retired Wharton finance professor said in his weekly commentary for WisdomTree on Monday. Higher interest rates translate into larger monthly mortgage payments, which mean banks are willing to lend significantly less money to homeowners today than they were a few years ago	Jeff Greene expects a painful downturn and a potential slump in house prices. The real-estate tycoon says the Fed's rate hikes will deal heavy blows to several industries. "We've just taken the rollercoaster so high," Greene said, comparing the fiscal and monetary binge to climbing to the top of Space Mountain at Walt Disney World. Greene noted the unprecedented amounts of monetary and fiscal stimulus have forestalled a recession. However, he cautioned that everything from Wall Street deal flows to construction projects will dry up as liquidity is drained from the system. "People can't qualify for mortgages anymore," he said.	The dollar's dominance is under no threat, according to SPAC king Chamath Palihapitiya. The venture capitalist pointed to the dollar's widespread and stable use as a foreign reserve currency. "Foreign reserves are up. These guys are banking US dollars like nobody's business," Palihapitiya said of so-called BRICS nations, which include Brazil, Russia, India, China and South America. But even the yuan is pegged to the US dollar, Palihapitiya said, referring to China's dollar reserves to back its own currency. The yuan isn't strictly pegged to the dollar. Rather, it trades in a 2% range around a mid-point against the greenback, fixed daily by the People's Bank of China.

Loading Report

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

Jun 03 - Jun 09

Jetty No.	PG1	PG2	PG3	PG4	PG6	PG9	PG10	Total Amount	
MT L	4,700							4,700	
MT G E	9,800							9,800	
MT S		1,000						1,000	
DIA			2,700					2,700	
MT G H				6,500				6,500	
MT I				5,600				5,600	
MT A					2,700			2,700	
MT D					5,000			5,000	
MT A						3,000		3,000	
MT N						3,000		3,000	
MT R 1						3,500		3,500	
MT G P							3,500	3,500	
MT CH							3,500	3,500	
Total Amount	54,500	14,500	1,000	2,700	12,100	7,700	9,500	7,000	54,500

Jun 03 - Jun 09 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	FUJAIRAH, UAE	OMAN GULF
2	MT M	HAMRIYA, UAE	BASRAH, IRAQ	PERSIAN GULF
3	MT P	FUJAIRAH, UAE	KHOR AL FAKKAN ANCH., UAE	OMAN GULF
4	MT G R	UMM QASR ANCH., IRAQ	DIBA	OMAN GULF
5	MT I	KHOR AL ZUBAIR, IRAQ	KHOR AL FAKKAN ANCH., UAE	OMAN GULF
6	MT A	JEBEL ALI, UAE	SHARJAH ANCH., UAE	PERSIAN GULF
7	MT C 7	MINA SAQR, UAE	HAMRIYA, UAE	PERSIAN GULF
8	MT M1	KHOR AL FAKKAN, UAE	KHOR AL FAKKAN, UAE	OMAN GULF
9	MT R 1	AL BASRAH, IRAQ	KHOR AL FAKKAN ANCH., UAE	OMAN GULF

Mercantile Exchange

VB Transactions

Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	Jun 03 - Jun 08	May 27 - Jun 02	Jun 03 - Jun 08	May 27 - Jun 02	Change	Jun 03 - Jun 08	Monthly Average	Jun 03 - Jun 08	Jun 03 - Jun 08	May 27 - Jun 02	Last Month
Tabriz Refinery	0	0	0	0	-	0	0	0	0	0	0
Tehran Refinery	0	75,300	0	132,815	-	0	6,200	0	0	7,000	23,000
Shiraz Refinery	0	79,100	0	113,414	-	0	8,400	0	0	7,000	32,000
Esfahan Refinery	0	75,300	0	117,250	-	0	43,000	0	0	0	175,000
Abadan Refinery	0	75,300	0	107,480	-	0	11,000	0	0	15,000	45,000
Bandar Abbas Refinery	79,100	79,100	118,500	125,759	-5.8%	30,000	24,000	56,100	30,000	40,000	150,000
Arak Refinery	0	75,300	0	113,994	-	0	11,000	0	0	15,000	45,000
Total						30,000	103,600	56,100	30,000	84,000	470,000

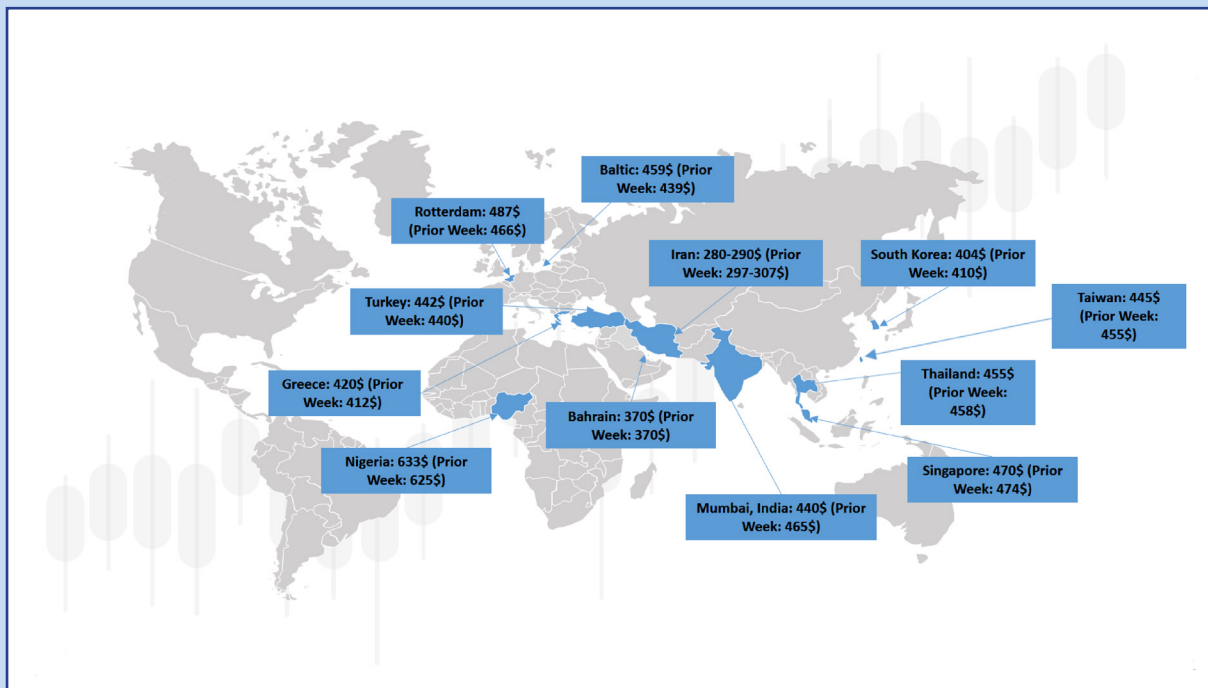
Export Bitumen Transactions

Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	Jun 03 - Jun 08	May 27 - Jun 02	Jun 03 - Jun 08	May 27 - Jun 02	Change	Jun 03 - Jun 08	Monthly Average	Jun 03 - Jun 08	Jun 03 - Jun 08	May 27 - Jun 02	Volume Change
Jey Oil - Esfahan - BEX	0	148,000	0	149,019	-	0	5,000	0	0	5,000	12,000
Jey Oil - Esfahan - GEX	0	180,000	0	180,000	-	0	4,800	0	0	700	10,700
Jey Oil - Bandar Abbas - BEX	0	0	0	0	-	0	7,800	0	0	0	22,200
Pasargad Oil - Bandar Abbas - BEX	0	150,000	0	150,000	-	0	7,600	0	0	3,200	5,700
Pasargad oil - Bandar Abbas - GEX	0	186,000	0	186,000	-	0	3,400	0	0	1,000	7,000
Pasargad Oil Abadan	149,400	149,400	0	0	-	5,000	9,000	0	0	0	23,000
Pasargad Oil Tabriz	0	158,000	0	0	-	0	1,400	0	0	0	1,700
Pasargad Oil Tehran BEX	0	149,000	0	0	-	0	3,000	0	0	0	4,000
Pasargad Oil Arak Bex	0	146,000	0	146,000	-	0	2,800	0	0	2,000	3,800
Pars Behin Qeshm Oil Refining	140,266	141,000	140,266	0	-	10,000	10,000	10,000	10,000	0	30,000
Total						15,000	54,800	10,000	10,000	11,900	120,100

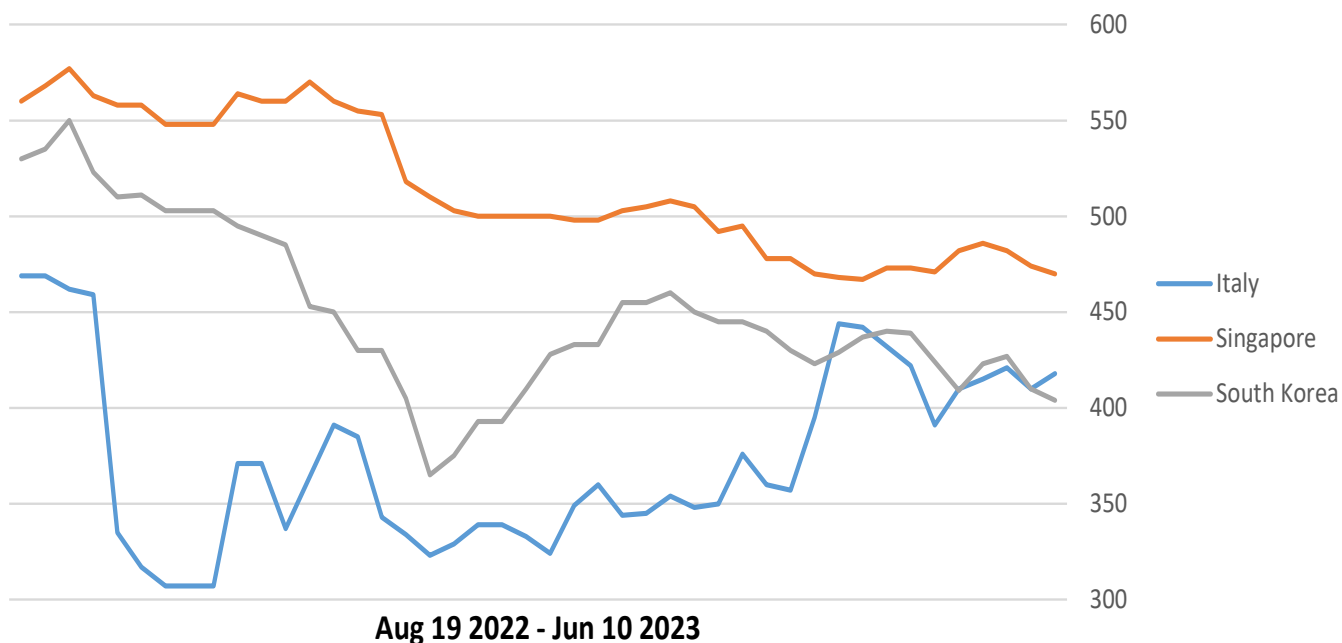
Bitumen & Jumbo Bag Prices

Product	Weekly Range - Jun 03 to Jun 09	Product	Weekly Range - Jun 03 to Jun 09
Drum FOB Private	355-365	Bulk FOB Private	280-290
Drum FOB Embossed	380-390	Bulk FOB Governmental	280-290
Jumbo Bag Governmental	-	Jumbo Bag Private	350
Bulk Ex-Work To Pakistan	290	Bulk Ex-Work Tabriz	290

Global Bitumen Prices



Prices Chart



Freight Rate



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Sponsored By: Radian Daryaye Mahan Company

From	To	Rate (\$)	To	Rate (\$)	To	Rate (\$)	Capacity - Foot
 Bandar Abbas	Nhava Sheva	250	Mombasa	1250	Bintulu	1250	20
	Kandla	300	Dar es Salam	1300	Aden	1250	
	Mundra	250	Djibouti	1200	Salalah	1250	
	Haldia	1400	Berbera	1600	Karachi	550	
	Chittagong	1150	Sudan	1500	Um Qasr	700	
	Colombo	1000	Aqaba	1350	Jakarta	850	
	Port Klang	300	Mugla	1750	Singapore	850	
	Jebel Ali	50	Kuching	1250	Maputo	2150	

Oil Market Analysis

The background of the slide is a photograph of an offshore oil rig. The rig's complex metal structure is silhouetted against a bright sunset sky. The sun is a glowing orb on the horizon, casting a golden light across the sky and reflecting on the dark blue ocean. The overall mood is industrial and dramatic.

Brent crude transactions experienced volatility and fluctuations due to rumors about Iran and the US agreement. At the end of the day, it reduced about 2% on weekly scale. In prior week, oil products prices soared 6 to 7% and rose refineries' profit margins. It is expected that in the coming week, the US economic data hit the market.

Oil Analysis

Daily Timeframe



1-hour Timeframe



Technical Analysis

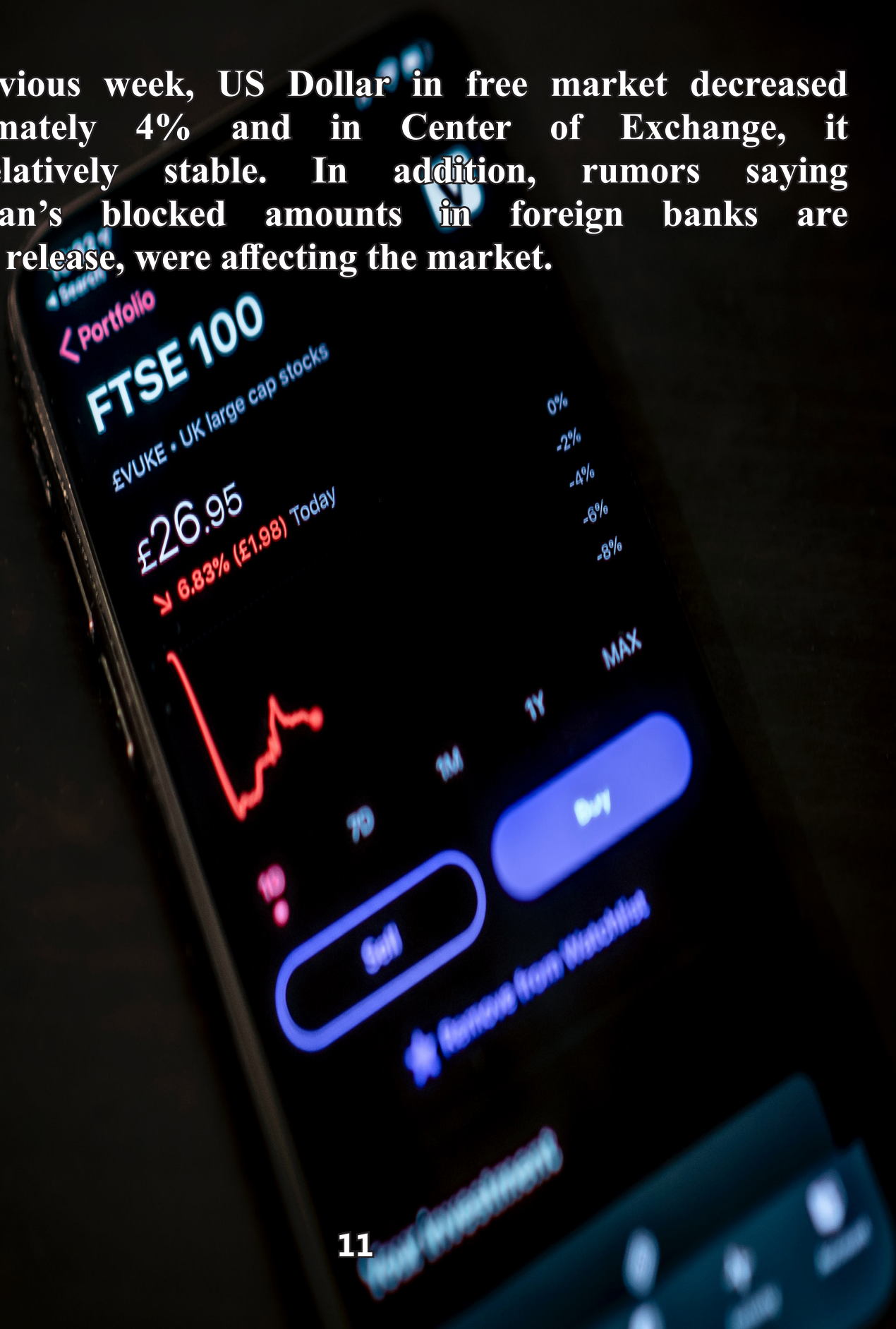
According to long-term chart price is still above 75\$ and if a recession hits the US economy, there is a possibility that the bottom of the channel could break. In order to pass the long-term support line, prominent and positive news should be injected into the market. In short-term, bearish markets in the coming week, could reduce the price to 73\$. On the other hand, in a rather more positive scenario, it is expected that the price could reach 79\$.

Fundamental Analysis

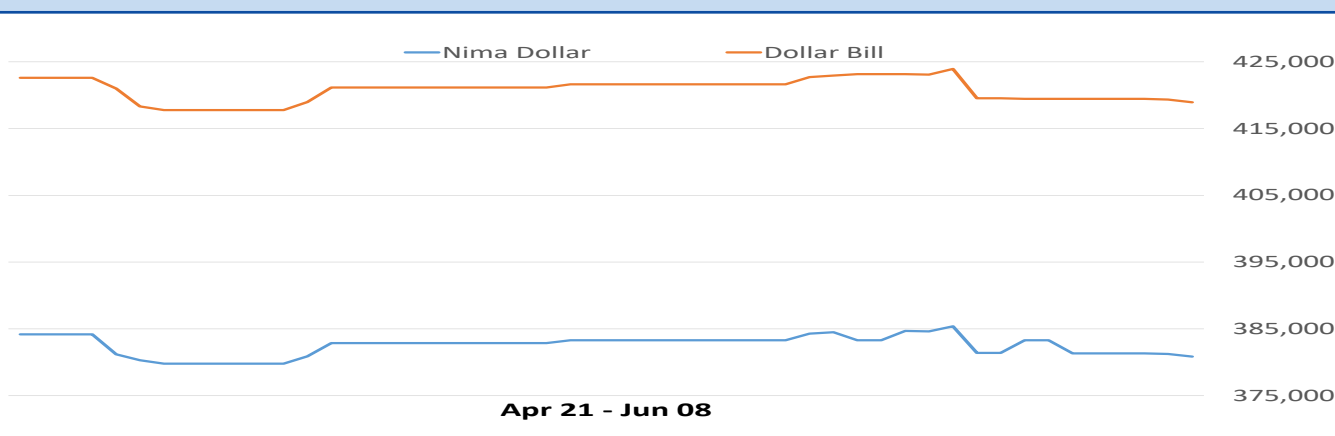
On Thursday, after news were published about Iran and the US temporary nuclear agreement and US grant the access to Iran in order to export approximately 1 million barrels per day of crude, prices decreased about 4.4%. However, both parties denied this news and prices recovered partially from Thursday decline. On Friday, Brent were traded around 76\$ per barrel which demonstrate another decrease for two consecutive weeks. Reason was concerns about another increase in interest rates that could disrupt the image of demand in the future. Demand lackluster in China is another factor that led to higher stockpiles levels in the country. According to an analysis by Kpler firm, China's crude stockpiles in May were reached 966 million barrels, which was the highest level in nearly two years. In addition, it seems that Russia does not have any plans to reduce its outputs and this put pressure on prices. Tanker tracking data shows that Russian crude exports in last four weeks were reached 3,73 million bpd. Furthermore, Vortexa announced on Monday that, "The amount of bunkered crude in tankers being idle for one month, was increased 1.8% and reached 101,46 million barrels."

Dollar Market

In previous week, US Dollar in free market decreased approximately 4% and in Center of Exchange, it was relatively stable. In addition, rumors saying that Iran's blocked amounts in foreign banks are about to release, were affecting the market.

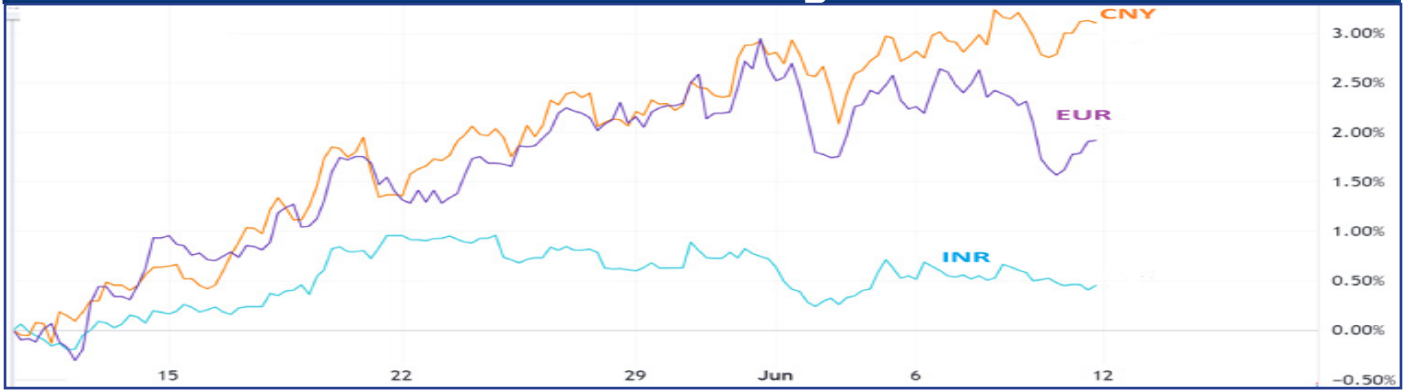


Exchange Rate - USD/IRR



Description	Date	6/8/2023	6/7/2023	6/6/2023	6/5/2023	6/4/2023	6/3/2023
Iran Center of Exchange Dollar Remittance	Change	380,847	381,229	381,322	381,322	381,322	381,322
	Weekly Change	-0.6%	-0.5%	0.0%	-1.1%	-4.9%	0.0%
Iran Center of Exchange Dollar	Change	418,932	419,351	419,455	419,455	419,455	419,455
	Weekly Change	-0.1%	0.0%	0.0%	-1.1%	-5.0%	0.0%
Free Market Dollar	Change	493,500	498,700	508,800	511,000	509,000	506,800
	Weekly Change	-3.8%	-2.8%	-1.0%	-1.3%	3.4%	10.3%

US Dollar Exchange Rate



Chinese Yuan



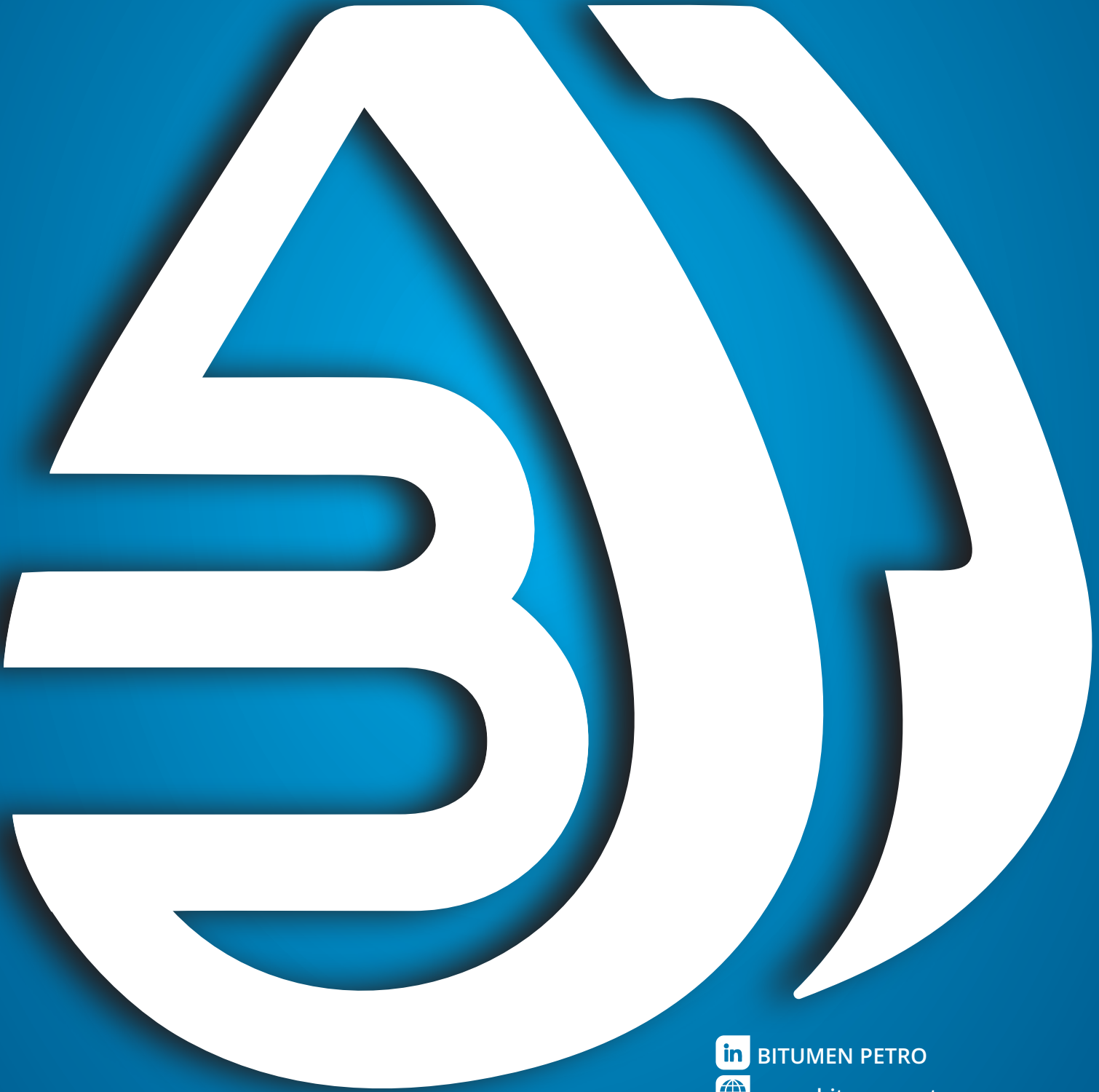
Indian Rupee



Euro



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