

# WEEKLY REVIEW OF BITUMEN MARKET IN IRAN & THE WORLD



## Bitumen Petro Co.

Mr. Hamed Hosseini, Mr. Mohammad Asadpour

Mr. Emad Ahmadipour, Mr. Emad Tarhimi

Ms. Elahe Kianfar, Ms. Sara Kasavandi

*Media Partner: Bitumen Shop*



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*In order to receive market analysis directly via Whatsapp please contact Mr. Tarhimi +98-9981200209*

## Highlights

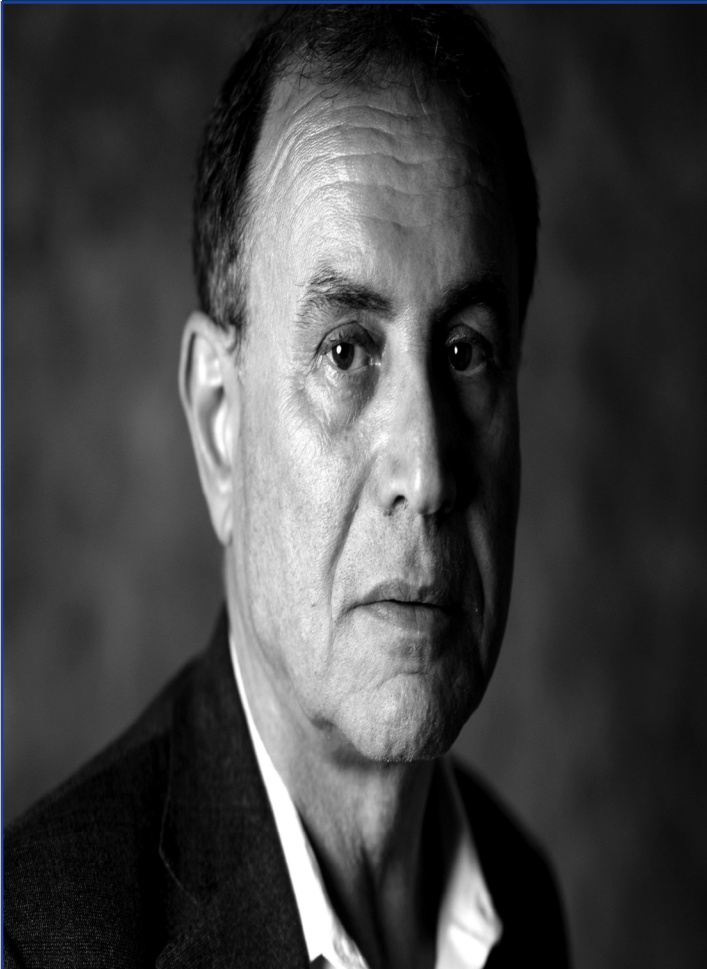
- Despite the U.S. sanctions, Iranian crude exports have reached above 1.5 million barrels per day. During last month, Tehran mentioned that it has boosted crude output to above 3 million bpd.
- Russian Energy Minister, Nikolai Shulginov, announced on Friday that “It is realistic to believe that oil prices could reach 80\$ per barrel this year, it is an achievable price point.”
- The chief executive of the U.S. pipeline giant said, the country’s natural gas infrastructure would have to expand in order to serve as a backup power generation fuel as wind and solar capacity is increasing rapidly in the energy transition.
- On Thursday, ECB has increased interest rates by 0.25% to 3.5%, which is the highest level in 22 years. The European Central Bank did not deny further hiking in rates as it struggles to reduce inflation.
- With Federal Reserve latest decision in order to pause increasing interest rates on Wednesday, oil prices declined by 1%.
- The International Energy Agency expects that the global oil demand will reach its peak before the end of current decade as the transition to renewables gains momentum.
- In its latest batch, Chinese authorities have increased crude import allowances by 20% in the first half of this year compared to the same period of 2022.



## Iran Bitumen News

- Last week 149,000 MT VB were supplied in IME, by 195,900 MT increase, 252,000 MT demand were registered. In prior week, the supply rate soared by 119,000 MT clearly the whole amount was sold and weekly VB's fluctuation rate was from 0% to 34.7-%. Due to outputs from all refineries except Tabriz, the amount of offers have increased. Furthermore, VB close price and IME's export bitumen ratio reached 79%, also VB's average value in Free Market USD assessed at 219\$. In addition, VB's value in the Center of Exchange Dollar Bill have reached 259\$, showing 15\$ decline in comparison to prior week.
- Supplies in IME's export market were around 68,000 MT and they were 24,600 MT more than the average of prior month. Due to offers from all huge refineries except Pars Behin Qeshm Oil total amount of supplies were soared considerably. For this amount of outputs, 37,900 MT demand were registered and as demand was weak, limited amount of supplies were traded. Considering the free market USD to IRR exchange rate, at published date, the bargained equivalent rates for Isfahan and Bandar Abbas Jey Oil Bulk Bitumen were 259\$ and 291\$ respectively. Furthermore, the rate for Jey Oil Drum Bitumen was 328\$. Prices for Bandar Abbas and Abadan Pasargad Oil were 294\$ and 273\$ respectively.
- The CEO of Imam Khomeini Oil Refinery Co., Majid Rajabi, in response to "what is the firm role in Tehran's air pollution?" mentioned, "Our Company, is only produce and export fuel oil. However, it has been decided that the production of fuel oil will be halted and another valuable substance will replace it."
- The CEO of Municipal Department Housing and Urban Development referring to the latest stages of constructing brand new bitumen factories mentioned, "Factory No. 1 is in the final steps of testing, also gas and electricity branches were installed. Concrete flooring of new bitumen pool is done and the bunker could store approximately 3,000 MT of bitumen."

## Analysts Comments



**E**conomist Nouriel Roubini, also known as 'Dr. Doom', doubled down on dire warnings about the US, saying the nation is headed for a recession as a combo of higher interest rates, sticky inflation, and a credit squeeze barrel the economy. "I would say the probability of a hard landing – meaning at least two consecutive quarters of negative economic growth – are higher than the one of a pure soft landing, the NYU professor said in a Yahoo Finance interview on Wednesday. "The economy is slowing down, the Fed has raised rates, and in my view, they'll have to raise them more because inflation is still too high. Both wage inflation and core," Roubini said. But even with the slowdown in inflation, economists like Roubini are not all optimistic. That's due to concerns about sticky inflation – a market condition where prices remain resistant to change. According to Roubini, that means the Fed is likely to raise rates in July and September. "Certainly there is going to be a recession. Whether that recession is going to be short and shallow as opposed to more severe depends on many factors," Roubini said.

Henley Private Wealth Migration	Ken Griffin	David Rosenberg
Henley Private Wealth Migration	Citadel founder	Economist
<p>China will see a net loss of 13,500 in 2023, up from 10,800 in 2022, the Henley Private Wealth Migration Report said. Millionaires are fleeing China at a faster pace as the economy's rebound from zero-COVID restrictions fizzles. The world's second largest economy continues to lead the world in the number of lost millionaires, according to Henley. The Henley report more recent data have pointed to slowing growth in retail sales as well as drops in home sales, industrial production and fixed-asset investment. The yuan and Chinese stock indexes have tumbled this year, with some commentators calling the rebound narrative a "charade" and even predicting that China is headed for a "lost decade."</p>	<p>Citadel founder Ken Griffin is still anticipating a US recession but holds a more bullish view on China, according to a Bloomberg report. He added that he expects the Federal Reserve to raise interest rates one more time in 2023 then stop. Meanwhile, Griffin holds a bullish outlook on China, although the world's second largest economy has fallen short expectations for a bigger post-COVID rebound. He anticipates economic growth there to beat Beijing's own target, even as broader investor confidence remains tepid. He added that regardless of who wins the next US presidential election, Citadel's strategy in the region will not change. In May, Griffin named as the highest-earning hedge fund manager.</p>	<p>The Federal Reserve may have left interest rates unchanged this week - but by signaling future increases, it still effectively conveyed a tightening of policy, top economist David Rosenberg said. "The Fed is a genius. It found a way to tighten policy without tightening policy!," the Rosenberg Research president and former chief North American economist at Merrill Lynch quipped in a tweet late Wednesday. The Fed's move to simultaneously hold interest rates and signal future rises may have been a strategy, David Rosenberg said. The central bank managed to find a way to "tighten policy without tightening policy," the top economist tweeted.</p>



## Loading Report

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

Jun 10 - Jun 16

Jetty No.	PG1	PG3	PG4	PG6	PG7	PG9	PG10	Total Amount	
MT G A	8,500							8,500	
MT G C		10,000						10,000	
MT L		4,700						4,700	
MT T		5,000						5,000	
MT G Q 1			3,500					3,500	
MT G E			7,000					7,000	
MT A 1				4,500				4,500	
MT G E					6,200			6,200	
MT C						8,500		8,500	
MT R						5,000		5,000	
MT B M							1,500	1,500	
Total Amount	64,400	8,500	19,700	10,500	4,500	6,200	13,500	1,500	64,400

## Jun 10 - Jun 16 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	KHOR AL ZUBAIR, IRAQ	OPL	PERSIAN GULF
2	MT G E	KHO AL FAKKAN ANCH., UAE	FUJAIRAH ANCH., UAE	OMAN GULF
3	MT I	MANGALORE ANCH., INDIA	BOB, INDIA	WEST COAST INDIA
4	MT A	HAMRYIA, UAE	BASRAH, IRAQ	PERSIAN GULF
5	MT D	KHOR AL ZUBAIR, IRAQ	KHOR AL FAKKAN ANCH., UAE	OMAN GULF
6	MT A	JEBEL ALI, UAE	SHARJAH ANCH., UAE	PERSIAN GULF
7	MT N	MINA SAQR, UAE	MINA SAQR, UAE	PERSIAN GULF
8	MT R 1	AL BASRAH, IRAQ	KHOR AL FAKKAN ANCH., UAE	OMAN GULF
9	MT G P	KARWAR, INDIA	KHOR AL FAKKAN ANCH., UAE	OMAN GULF
10	MT CH	KHO AL FAKKAN ANCH., UAE	UMM QASR ANCH., IRAQ	PERSIAN GULF

## Mercantile Exchange

### VB Transactions

Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	Jun 10 - Jun 15	Jun 03 - Jun 08	Jun 10 - Jun 15	Jun 03 - Jun 08	Change	Jun 10 - Jun 15	Monthly Average	Jun 10 - Jun 15	Jun 10 - Jun 15	Jun 03 - Jun 08	Last Month
Tabriz Refinery	0	0	0	0	-	0	0	0	0	0	0
Tehran Refinery	73,500	0	112,869	0	-	7,000	4,600	20,700	7,000	0	22,000
Shiraz Refinery	77,200	0	101,869	0	-	19,000	6,400	33,550	19,000	0	41,000
Esfahan Refinery	73,500	0	108,458	0	-	50,000	35,000	91,425	50,000	0	185,000
Abadan Refinery	73,500	0	96,450	0	-	18,000	9,000	26,000	18,000	0	48,000
Bandar Abbas Refinery	77,200	79,100	77,383	118,500	-34.7%	40,000	30,000	41,100	40,000	30,000	140,000
Arak Refinery	73,500	0	110,683	0	-	15,000	9,000	39,500	15,000	0	50,000
Total						149,000	94,000	252,275	149,000	30,000	486,000

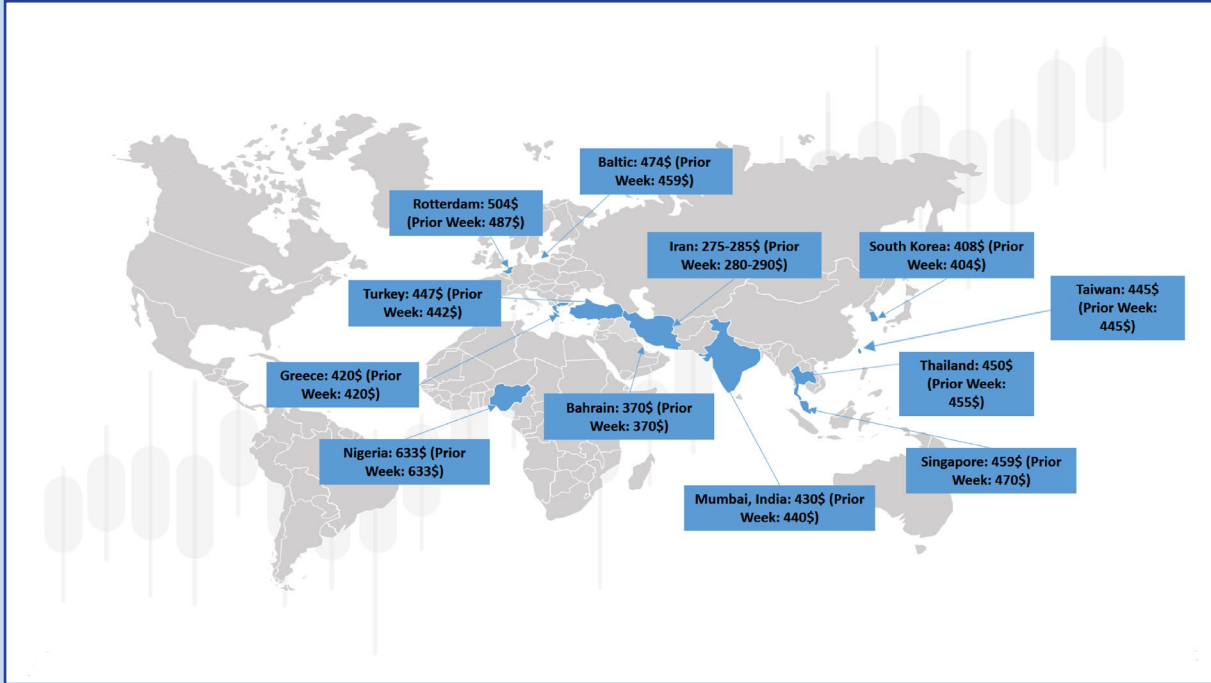
### Export Bitumen Transactions

Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	Jun 10 - Jun 15	Jun 03 - Jun 08	Jun 10 - Jun 15	Jun 03 - Jun 08	Change	Jun 10 - Jun 15	Monthly Average	Jun 10 - Jun 15	Jun 10 - Jun 15	Jun 03 - Jun 08	Vloume Change
Jey Oil - Esfahan - BEX	126,500	0	126,500	0	-	10,000	3,000	12,700	10,000	0	22,000
Jey Oil - Esfahan - GEX	160,000	0	160,000	0	-	8,000	2,800	8,000	8,000	0	18,700
Jey Oil - Bandar Abbas - BEX	142,000	0	142,000	0	-	8,000	6,800	2,000	2,000	0	14,200
Pasargad Oil - Bandar Abbas - BEX	143,520	0	143,520	0	-	14,000	6,200	7,000	7,000	0	10,700
Pasargad oil - Bandar Abbas - GEX	168,520	0	0	0	-	4,000	2,800	0	0	0	4,000
Pasargad Oil Abadan	133,000	149,400	133,000	0	-	17,000	8,000	6,000	6,000	0	26,000
Pasargad Oil Tabriz	147,000	0	136,000	0	-	2,000	1,200	1,300	1,000	0	1,700
Pasargad Oil Tehran BEX	134,600	0	134,600	0	-	1,000	2,400	750	750	0	2,750
Pasargad Oil Arak Bex	134,250	0	126,500	0	-	4,000	2,200	150	150	0	3,250
Pars Behin Qeshm Oil Refining	0	140,266	0	140,266	-	0	8,000	0	0	10,000	20,000
Total						68,000	43,400	37,900	34,900	10,000	123,300

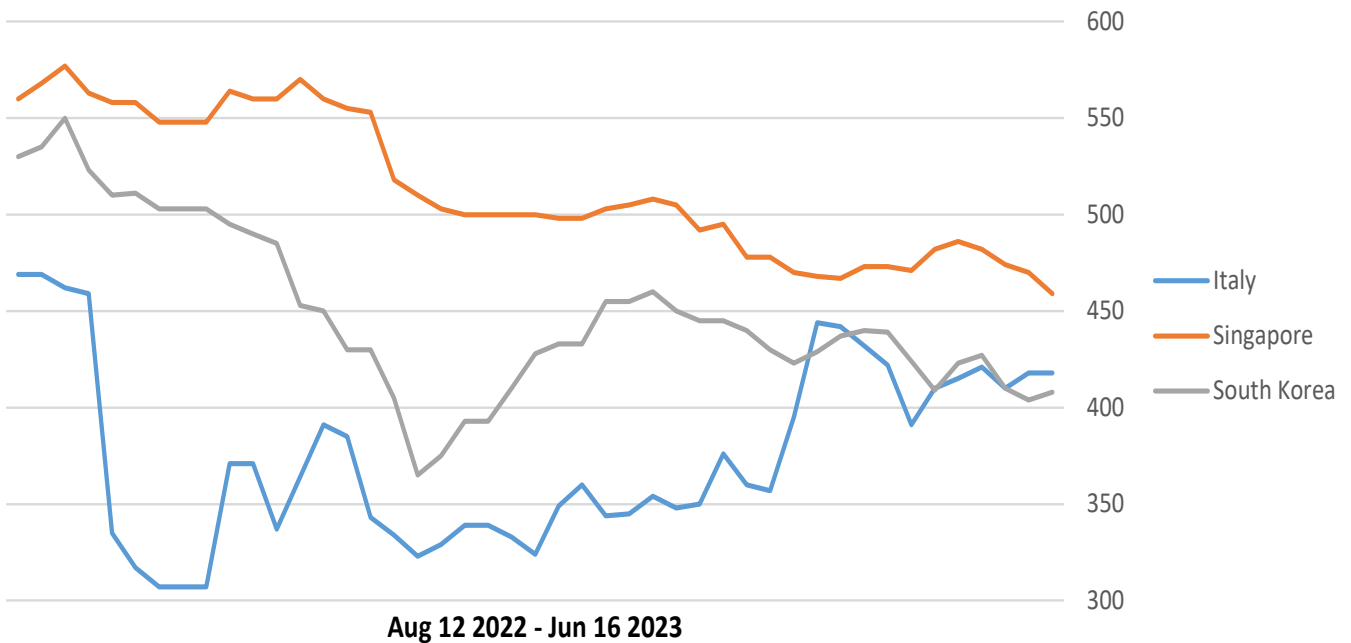
### Bitumen & Jumbo Bag Prices

Product	Weekly Range - Jun 10 to Jun 15	Product	Weekly Range - Jun 10 to Jun 15
Drum FOB Private	340-350	Bulk FOB Private	275-285
Drum FOB Embossed	375-380	Bulk FOB Governmental	275-285
Jumbo Bag Governmental	-	Jumbo Bag Private	340
Bulk Ex-Work To Pakistan	270	Bulk Ex-Work Tabriz	300

## Global Bitumen Prices



## Prices Chart





## Freight Rate



Phone/WhatsApp: +98-9124323703

Email: shirin@radianshipping.com



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From	To	Rate (\$)	To	Rate (\$)	To	Rate (\$)	Capacity - Foot
Bandar Abbas	Nhava Sheva	200	Dar es Salam	1200	Surabaya	600	20
	Kandla	250	Djibouti	1100	Belawan	600	
	Mundra	200	Berbera	1300	Semarang	800	
	Haldia	1200	Sudan	1300	Jakarta	850	
	Chittagong	1150	Ningbo	200	Singapore	850	
	Colombo	1000	Shanghai	200	Ho Chi Minh	750	
	Port Klang	275	Qingdao	200	Haiphong	900	
	Jebel Ali	50	Tianjin	250	-	-	
Mombasa	1150	Aden	1250	-	-		



# Oil Market Analysis

**During last week, after the U.S. inflation data was published and demonstrate signs of a reverse, in addition, the Federal Reserve's decision to pause interest rate hikes; Brent started the week with green candles and recovered previous week losses with 2% increase. In Persian Gulf transactions, except naphtha, other oil products were increased from zero to 3% and with unchanged gasoline prices; profit margins for refineries were affected.**





# Oil Analysis

Monthly Timeframe



1-hour Timeframe



Technical Analysis

Long-term chart of crude oil demonstrate that the strong support line is broken and the price is on the channel's midline. The mentioned line was showing the upper and lower prices from 2007 recession to coronavirus pandemic. It is expected that if the price breaks the midline, crude will reach below 60\$ per barrel. Although, past events showed that there is a possibility for reaching upper channel due to positive political news. In short-term, Fibonacci lines look bullish and despite all negative news about economic recession in past 6 months, the price could not break the bottom of Fibonacci channel. Considering this, downward trend up to end of June seems not possible and the Brent price reaching below 73\$ is not expected.

Fundamental Analysis

In prior week, with better demand outlook due to decreasing interest rates in China and a pause in interest rate hike by the Federal Reserve, pushed the Brent price 2% higher. In its latest monthly report, IEA mentioned that the crude oil global demand would increase 6% from 2023 to 2028. In addition, after China's new batch about increasing import quotas, prices were supported. Although, energy demand lackluster in China was a negative factor for crude prices, which led to an increase in China's inventory levels. Kpler's latest analysis showed that China's crude inventories in May were reached 966 million barrels, which was the highest in two years. The U.S. crude production in the week ended Jun 9, after reaching the highest level in three years, was unchanged.

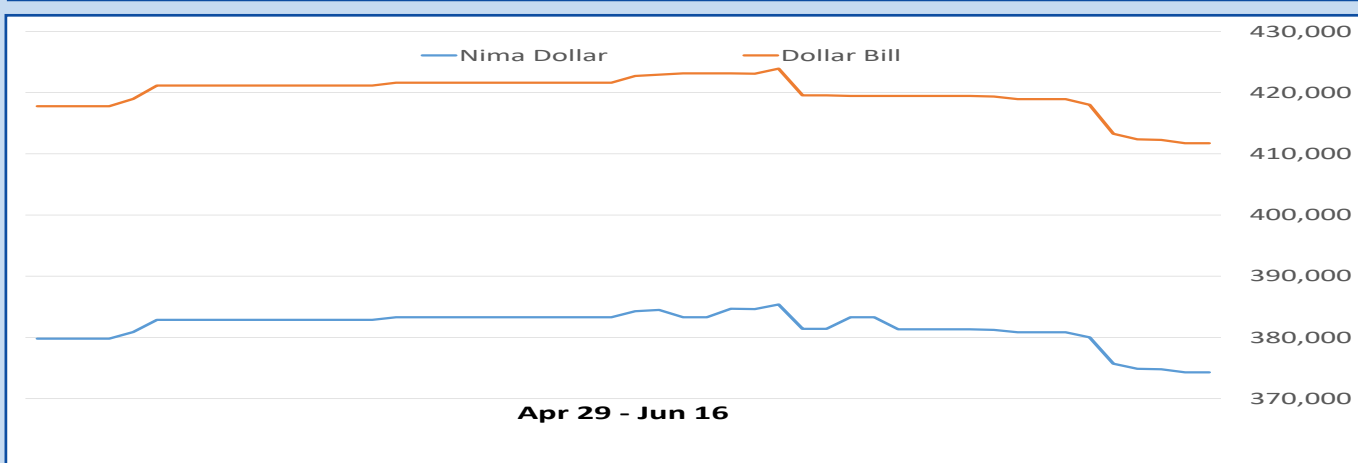




# Dollar Market

Although the U.S. has denied any negotiations with Iran, the dollar trend remained bearish. Furthermore, another reason for a decline in dollar rate was the Central Bank's Chairman trip to Qatar.

## Exchange Rate - USD/IRR



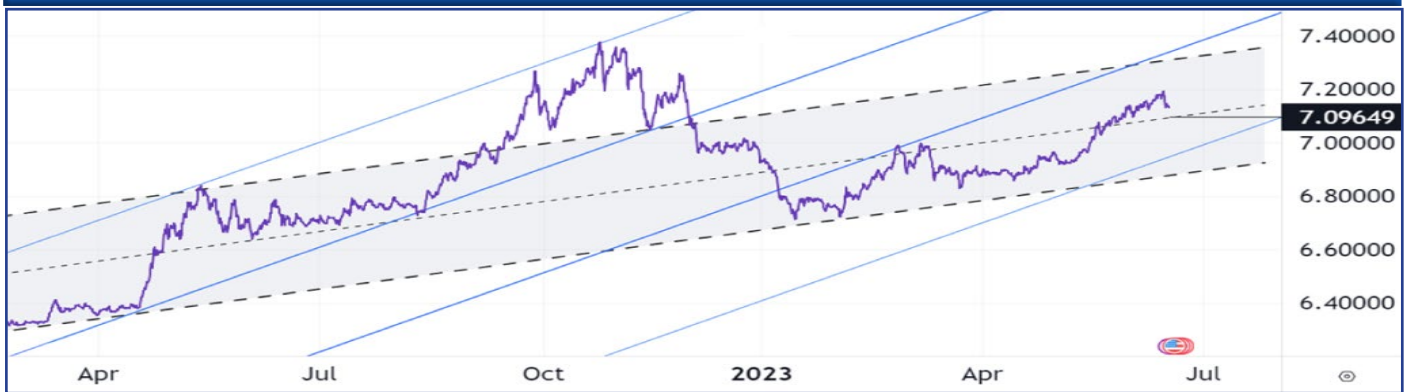
Description	Date	6/16/2023	6/15/2023	6/14/2023	6/13/2023	6/12/2023	6/11/2023
Iran Center of Exchange Dollar Remittance	Change	374,302	374,302	374,800	374,871	375,708	380,002
	Weekly Change	-1.7%	-1.7%	-1.7%	-1.7%	-4.9%	0.0%
Iran Center of Exchange Dollar	Change	411,732	411,732	412,279	412,359	413,279	418,002
	Weekly Change	-1.7%	-1.7%	-1.7%	-1.7%	-5.0%	0.0%
Free Market Dollar	Change	488,000	488,000	488,500	498,000	481,800	471,200
	Weekly Change	-1.1%	-1.1%	-1.0%	-0.1%	-5.3%	-7.8%



### US Dollar Exchange Rate



### USD/CNY



### USD/INR

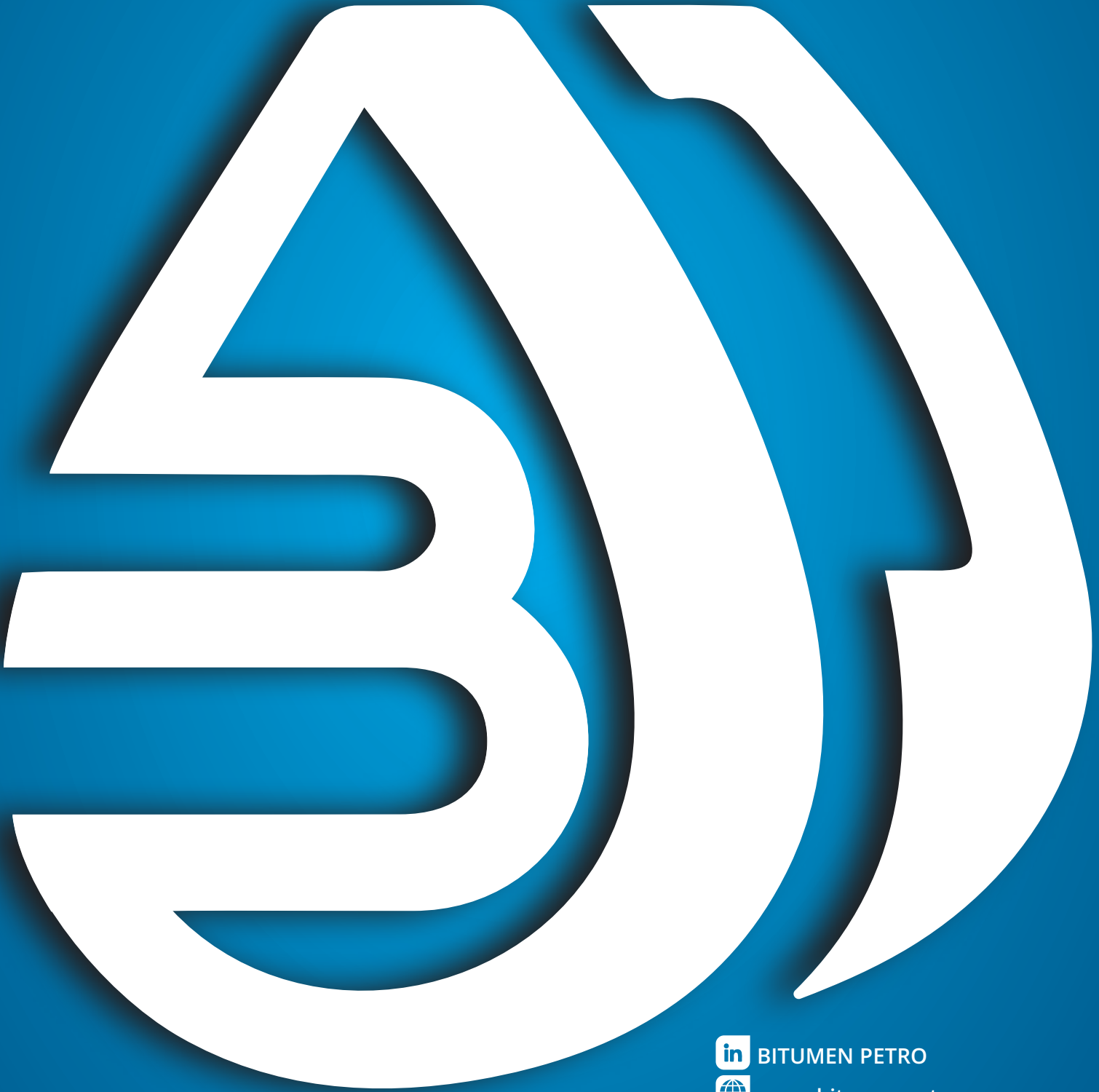


### USD/EUR





# BITUMEN PETRO



 BITUMEN PETRO  
 [www.bitumenpetro.com](http://www.bitumenpetro.com)  
 bitumen\_petro  
 +98-9981200209