

# WEEKLY REVIEW OF BITUMEN MARKET IN IRAN & THE WORLD



## Bitumen Petro Co.

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## Highlights

- Rising interest rates, challenging inflation and pessimistic expectations for economic growth are putting businesses in services and manufacturing sectors under pressure across the UK.
- Chinese giant state-owned, CNOOC, is considering an exploration offshore Tanzania as it reached an agreement with the local state firm.
- The U.S. crude oil inventories declined this week by 1.246 million barrels, while analysts were expecting a smaller 433,000-barrel draw in crude inventories.
- According to Canada's energy regulator, "A net-zero world will reduce fossil fuel consumption by 65% until 2050 from 2021 levels."
- Reducing water levels in the Panama Canal could threaten global trade and supply chains as the levels are at their lowest since 1914.
- China's crude imports from Russia increased to an all-time high of 2.29 million bpd in May with Chinese refiners continuing to purchase discounted Russian crude.
- On Tuesday, Qatar and China signed a new long-term agreement in which, QatarEnergy will supply LNG to a Chinese energy giant, Sinopec, for 27 years.
- The UAE and Qatar have reached an agreement to restore diplomatic relationships.
- Russian refineries processed 5.49 million barrels per day of crude from June 8 to 14, a 2-month high.



## Iran Bitumen News

- Last week 115,000 MT VB were supplied in IME, by 12% increase, 284,000 MT demand were registered. In prior week, the supply rate soared by 34,000 MT clearly the whole amount was sold and weekly VB's fluctuation rate was from 1.7%- to 50%. Due to declined outputs amount from all refineries and supply lackluster from Tabriz refinery, the amount of offers have decreased. Furthermore, VB close price and IME's export bitumen ratio reached 86%, also VB's average value in Free Market USD assessed at 225\$. In addition, VB's value in the Center of Exchange Dollar Bill have reached 259\$, showing a rise by 7\$ in comparison to prior week.
- Supplies in IME's export market were around 116,000 MT and they were 69,000 MT more than the average of prior month. Due to offers from all giant refineries, total amount of supplies were soared. For this amount of outputs, 138,350 MT demand were registered and as demand was more than supplies, all of them 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 255\$ and 272\$ respectively. Furthermore, the rate for Jey Oil Drum Bitumen was 328\$. Prices for Bandar Abbas and Abadan Pasargad Oil were 286\$ and 271\$ respectively.
- In prior week, the financial statement of Pasargad Oil was published. According to the statement, firm's profitability soared by 150% and led to an eye-catching demand for the company's shares in the stock market. The net profit of the firm increased from 5,175 to 12,886 billion IRR, on the other hand, sales amount were only increased by 71%. Increased bitumen prices in the second half of last year was one of the main reasons. In addition, the statement demonstrates that domestic sales were reached 577,000 MT from 257,000 MT and export sales declined a bit to 732,000 MT from 741,000 MT, showing that the main part of outputs were sold in domestic market.
- During last week, the financial statement of Hormoz Pasargad Company was published and it demonstrates that the firm branches do about 5% of Pasargad sales. In last year, the company sold 39,000 MT of bitumen worth 4,250 billion IRR.
- The government spokesperson in response to "free-bitumen" plan, which presented by the parliament said, "As the government has no financial sources for this plan, we are not able to specify that amount of bitumen."

## Analysts Comments



Lee highlighted that the economy still looks poised for growth despite fears of a potential recession, evidenced by a recent surprise jump in housing starts and an improved outlook for corporate earnings. "2Q23 earnings season is coming up and more strategists are noting that this looks like EPS growth ex-Energy could turn positive year-over-year. This would be a positive development for risk-on," he said. Lee expects upcoming data to bolster his view that the economy remains in expansion mode, with the June employment report showing continued strength while inflation reports could show a continued slowdown.

Jim Costello and Alexis Maltin	Harvard Joint Center for Housing Studies	Ed Yardeni
MSCI Real Assets researchers	Harvard Joint Center for Housing Studies	Market Veteran
<p>"Should this potential distress be upgraded to full-blown trouble, an increase in distressed asset sales and declining prices would be inevitable," MSCI Real Assets researchers Jim Costello and Alexis Maltin said in the report, per Bloomberg. A commercial real-estate crisis may be brewing in the US, with tens of billions of dollars worth of assets slipping into distressed category as high interest rates squeeze borrowers. The amount of troubled CRE assets, meaning properties that are forced to be sold as owners can't afford to pay their mortgages, jumped by 10% in the first quarter to about \$64 billion, per an MSCI Real Assets report, cited by Bloomberg. With the possibility of higher interest rates this year as suggested by the Fed, market commentators have warned that commercial property prices could tumble by as much as 40% from their peak in a worse disaster than the 2008 financial crisis.</p>	<p>Researchers at the Harvard Joint Center for Housing Studies says home price growth will be slow. In a report published June 21, researchers at the Harvard Joint Center for Housing Studies said home price growth would probably stagnate as high mortgage rates continue to weigh on demand. Despite the huge run up in prices seen over the last few years, there are too many factors acting as a floor under home values to see significant declines, they said. "That said, increased interest rates have also led to significantly higher monthly payments for potential homebuyers, and demand has cooled in response. As long as interest rates remain elevated, home price growth will likely continue to slow. But prices are unlikely to plummet like they did during the Great Recession," it continued.</p>	<p>Now, that rolling recession is turning into a rolling expansion across that should help boost the ongoing economic recovery and help limit any potential downside in the stock market, market veteran Ed Yardeni said in a Tuesday note. "What happens after a rolling recession? Perhaps a rolling expansion as the economic sectors that fell into a recession recover," he said. Yardeni highlighted strong housing starts in May as reason to believe that a recovery in the economy is in fact underway, given that the housing sector represents a sizable chunk of the US economy and was negatively impacted by surging mortgage rates over the past year.</p>



# Loading Report

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

Jun 17 - Jun 23

Jetty No.	PG1	PG2	PG3	PG4	PG5	PG6	PG9	Total Amount	
MT A	7,500							7,500	
MT L	4,700							4,700	
MT N O		3,000						3,000	
MT T			5,000					5,000	
MT A			2,700					2,700	
MT C			8,500					8,500	
MT CO			6,800					6,800	
MT B O				2,300				2,300	
MT G R				4,000				4,000	
MT M 1				1,000				1,000	
MT A 2					4,500			4,500	
MT A 1						4,500		4,500	
MT I						10,000		10,000	
MT A M						1,200		1,200	
MT S							5,000	5,000	
MT A S							8,100	8,100	
Total Amount	78,800	12,200	3,000	23,000	7,300	4,500	15,700	13,100	78,800

## Jun 17 - Jun 23 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 G A	AL BASRAH, IRAQ	KHOR AL FAKKAN ANCH., UAE	OMAN GULF
2	MT L	KHOR AL ZUBAIR, IRAQ	FUJAIRAH, UAE	PERSIAN GULF
3	MT T	HAMRIYA, UAE	MUMBAI, INDIA	OMAN GULF
4	MT G Q 1	KHOR AL FAKKAN ANCH, UAE	PSQ	OMAN GULF
5	MT G E	UMM QASR ANCH, IRAQ	SOHAR, OMAN	OMAN GULF
6	MT A 1	RAJAEI, IRAN	BANDAR ABBAS ANCH, IRAN	PERSIAN GULF
7	MT G E	KHOR AL FAKKAN ANCH, UAE	KHOR AL ZUBAIR, IRAQ	PERSIAN GULF
8	MT C	MAB, IRAQ	BASRAH, IRAQ	PERSIAN GULF
9	MT R	AL BASRAH ANCH., IRAQ	MUMBAI, INDIA	WEST COAST INDIA
10	MT B M	MUSCAT, OMAN	BASRAH, IRAQ	OMAN GULF

## Mercantile Exchange

### VB Transactions

Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	Jun 17 - Jun 22	Jun 10 - Jun 15	Jun 17 - Jun 22	Jun 10 - Jun 15	Change	Jun 17 - Jun 22	Monthly Average	Jun 17 - Jun 22	Jun 17 - Jun 22	Jun 10 - Jun 15	Last Month
Tabriz Refinery	0	0	0	0	-	0	0	0	0	0	0
Tehran Refinery	73,500	73,500	125,330	112,869	11.0%	8,000	4,400	28,580	8,000	7,000	30,000
Shiraz Refinery	77,200	77,200	100,160	101,869	-1.7%	12,000	8,200	26,375	12,000	19,000	48,000
Esfahan Refinery	73,500	73,500	110,173	108,458	1.6%	50,000	37,000	112,125	50,000	0	195,000
Abadan Refinery	73,500	73,500	96,910	96,450	0.5%	10,000	9,600	25,000	10,000	18,000	43,000
Bandar Abbas Refinery	77,200	77,200	116,085	77,383	50.0%	20,000	28,000	46,000	20,000	40,000	130,000
Arak Refinery	73,500	73,500	112,095	110,683	1.3%	15,000	10,000	46,200	15,000	15,000	55,000
Total						115,000	97,200	284,280	115,000	99,000	501,000

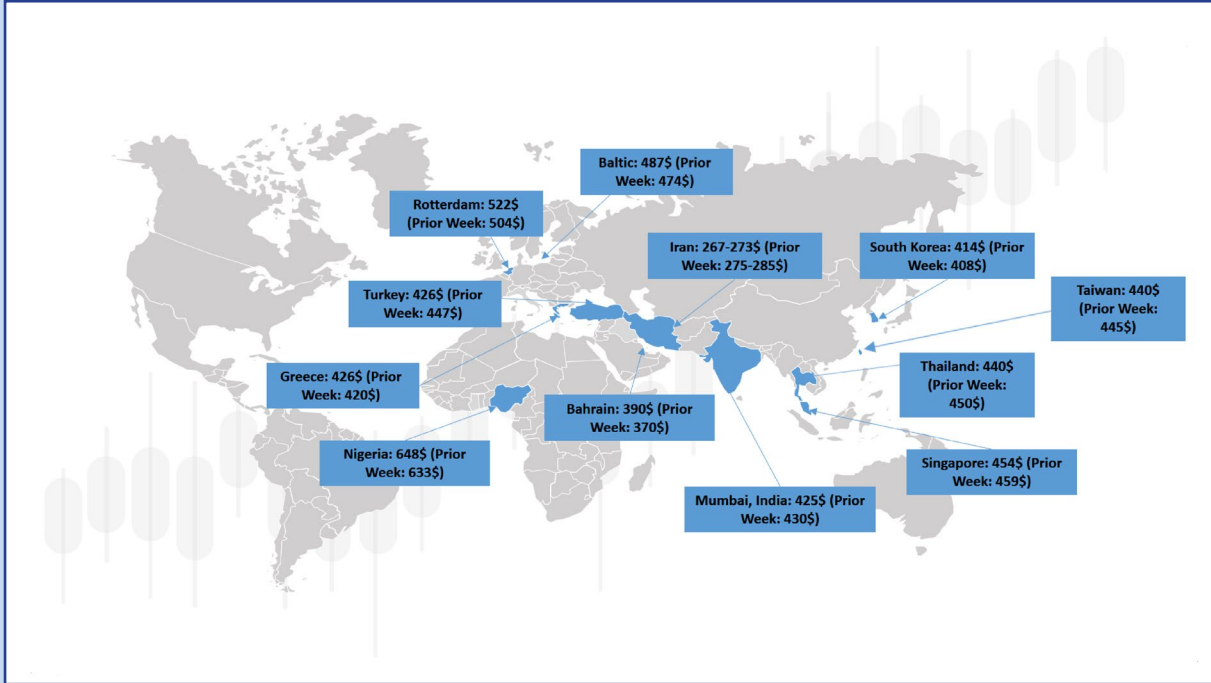
### Export Bitumen Transactions

Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	Jun 17 - Jun 22	Jun 10 - Jun 15	Jun 17 - Jun 22	Jun 10 - Jun 15	Change	Jun 17 - Jun 22	Monthly Average	Jun 17 - Jun 22	Jun 17 - Jun 22	Jun 10 - Jun 15	Vloume Change
Jey Oil - Esfahan - BEX	128,100	126,500	124,744	126,500	-1.4%	18,000	5,000	21,650	10,000	10,000	32,000
Jey Oil - Esfahan - GEX	152,000	160,000	155,414	160,000	-2.9%	12,000	4,400	27,600	12,000	8,000	30,700
Jey Oil - Bandar Abbas - BEX	132,500	142,000	133,180	142,000	-6.2%	15,000	6,400	23,000	15,000	2,000	19,200
Pasargad Oil - Bandar Abbas - BEX	140,000	143,520	140,000	143,520	-2.5%	7,000	7,600	7,000	7,000	7,000	17,700
Pasargad oil - Bandar Abbas - GEX	165,000	168,520	0	0	-	3,000	2,400	0	0	0	2,000
Pasargad Oil Abadan	133,000	133,000	133,000	133,000	-	10,000	9,400	10,000	10,000	6,000	26,000
Pasargad Oil Tabriz	136,000	147,000	136,000	136,000	-	2,000	1,400	1,600	1,600	1,000	3,300
Pasargad Oil Tehran BEX	134,600	134,600	0	134,600	-	2,000	2,000	0	0	750	2,750
Pasargad Oil Arak Bex	125,000	134,250	125,000	126,500	-1.2%	2,000	2,400	2,500	2,000	150	4,150
Pars Behin Qeshm Oil Refining	122,069	0	122,069	0	-	45,000	6,000	45,000	45,000	0	65,000
Total						116,000	47,000	138,350	102,600	34,900	202,800

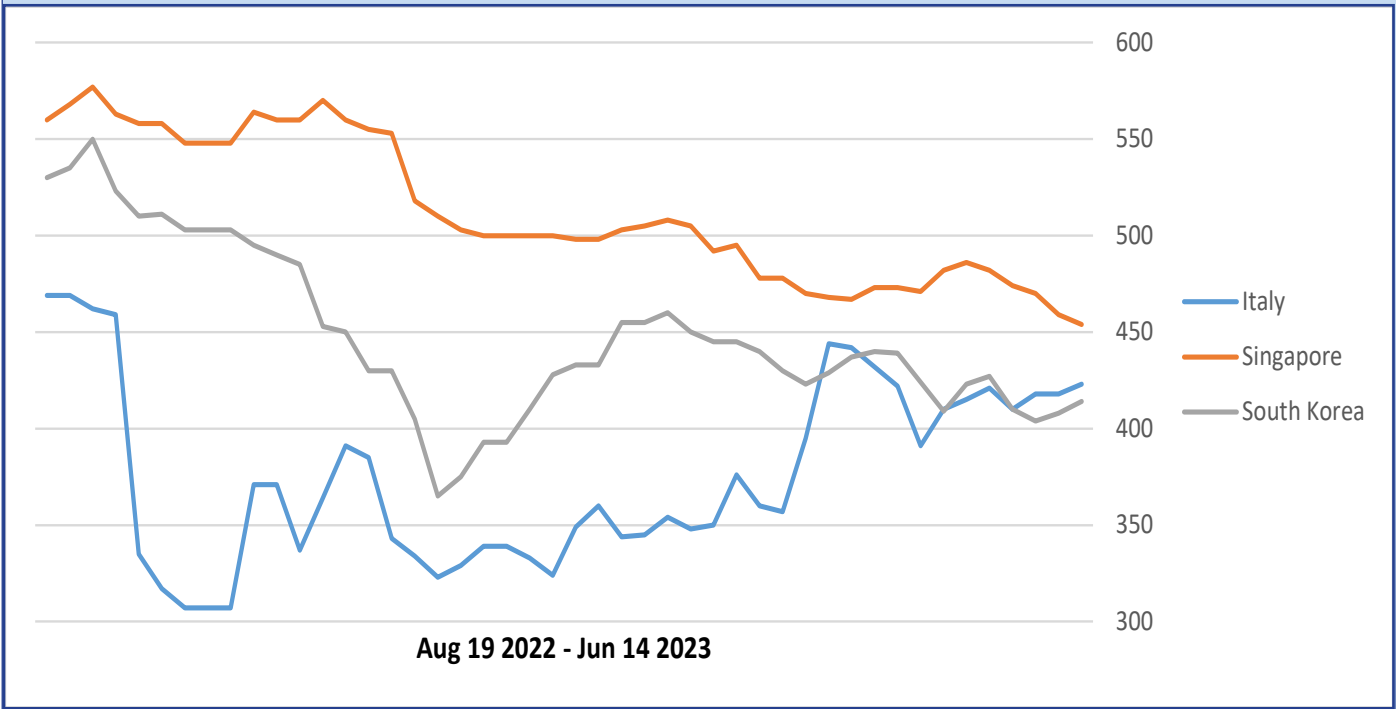
### Bitumen & Jumbo Bag Prices

Product	Weekly Range - Jun 17 to Jun 22	Product	Weekly Range - Jun 17 to Jun 22
Drum FOB Private	349-356	Bulk FOB Private	267-273
Drum FOB Embossed	368-375	Bulk FOB Governmental	267-273
Jumbo Bag Private	340	Jumbo Bag Governmental	-
Bulk Ex-Work To Pakistan	-	Bulk Ex-Work Tabriz	300

## Global Bitumen Prices



## Prices Chart





## Freight Rate



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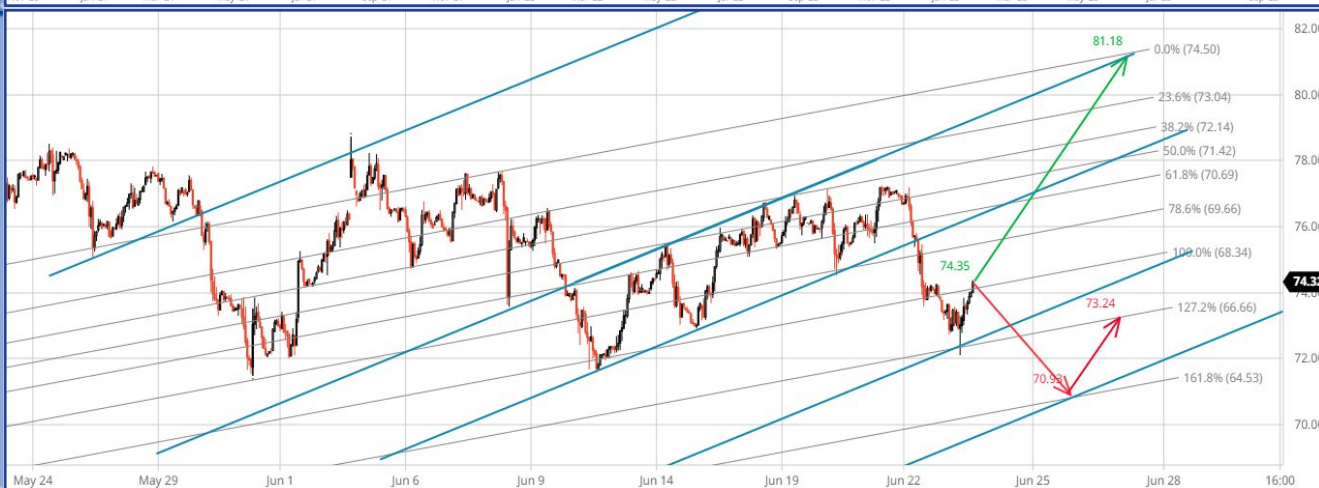
From	To	Rate (\$)	To	Rate (\$)	To	Rate (\$)	Capacity - Foot
Bandar Abbas	Nhava Sheva	200	Dar es Salam	1100	Surabaya	600	20
	Kandla	250	Djibouti	1100	Belawan	600	
	Mundra	200	Berbera	1500	Semarang	800	
	Haldia	1200	Sudan	1300	Jakarta	850	
	Chittagong	1150	Ningbo	200	Singapore	850	
	Colombo	1000	Shanghai	200	Ho Chi Minh	675	
	Port Klang	275	Qingdao	200	Haiphong	900	
	Jebel Ali	50	Tianjin	250	-	-	
Mombasa	1050	Aden	1250	-	-		

# Oil Analysis

Monthly Timeframe



1-hour Timeframe



Technical Analysis

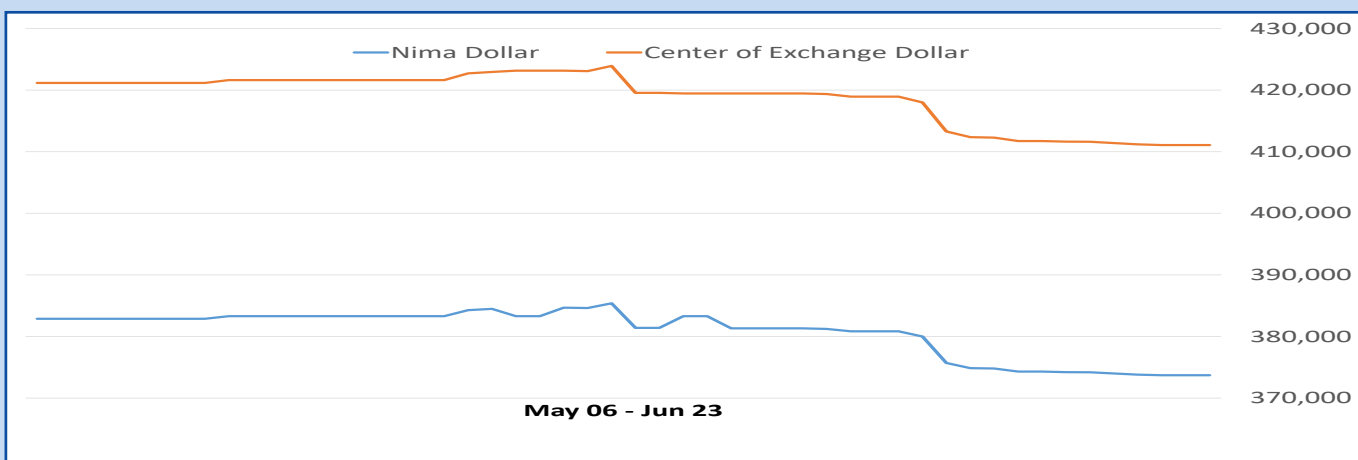
Long-term chart demonstrate 77 days period for crude. According to this chart, since 2020 oil price is moving in Quadrant bullish channels, but downward price pace in every 76 working days, send it to lower channel. As the chart shows, the end of current period will be on early August. If the trend becomes bullish, the price will be around 82\$ and if the downtrend continues, price will be around 68\$. In short-term, Fibonacci lines are the main factor for determining the price and it is expected with growing risks, price will rise to 81\$ per barrel.

Fundamental Analysis

In prior week, crude prices declined about 3% as the weak PMI report was published from the U.S. and Germany. In addition, Jerome Powell's speech and emphasis on interest rates hikes in order to control the inflation and 0.5% increase in interest rates by UK's central bank, put pressure on energy demand. Vortexa also published a report about the amount of storage oil in tankers being idle for a week, which rose 5% and reached 107.12 million barrels. China's national petroleum corporation declined its expectation for Chinese demand from 5% to 3.5%. The U.S. crude inventories in the week ended Jun 16 decreased by 3.83 million, crude and gasoline inventories are 0.7% and 7.2% less than 5 years average respectively. Furthermore, working oil platforms in the U.S. increased three times more than August 2020, which is a demonstration of grown in the country's crude outputs.



## Exchange Rate - USD/IRR



Description	Date	6/23/2023	6/22/2023	6/21/2023	6/20/2023	6/19/2023	6/18/2023
Iran Center of Exchange Dollar Remittance	Change	373,710	373,710	373,710	373,807	373,995	374,192
	Weekly Change	-0.1%	-0.2%	-0.3%	-0.3%	-4.9%	0.0%
Iran Center of Exchange Dollar	Change	411,081	411,081	411,081	411,188	411,395	411,610
	Weekly Change	-0.1%	-0.2%	-0.3%	-0.3%	-5.0%	0.0%
Free Market Dollar	Change	494,000	494,000	487,500	488,300	487,800	492,500
	Weekly Change	0.0%	1.2%	-0.1%	0.0%	-2.0%	2.2%



### US Dollar Exchange Rate



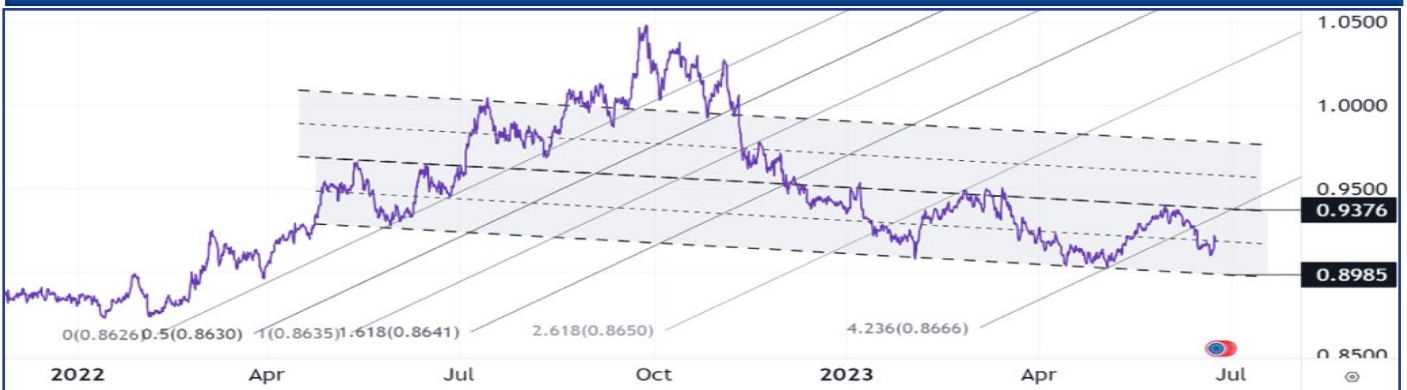
### USD/CNY



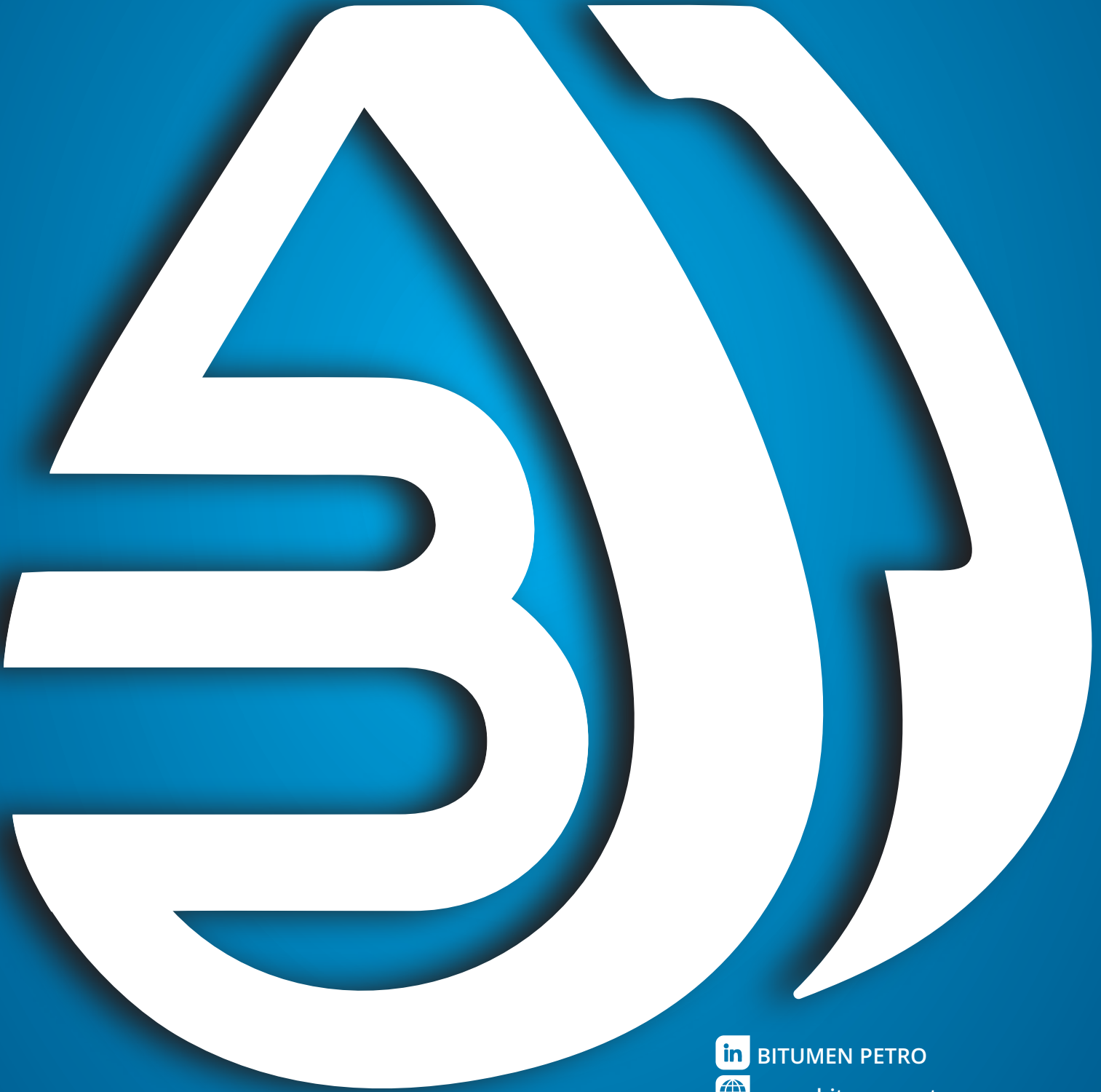
### USD/INR



### USD/EUR



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