

# WEEKLY REVIEW OF BITUMEN MARKET IN IRAN & THE WORLD



## Bitumen Petro Co.

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## Highlights

- As Russian crude passed the G7 price cap, Indian importers are going to face challenges with their bankers.
- According to Energy Outlook Advisors, crude demand's future is bright and the common belief about oil demand decreasing because of energy transition is kind of a wishful thinking.
- Total Russian crude exports plunged by 600,000 barrels per day in June, which is the lowest level in two years.
- U.S. Secretary of Energy, Jennifer Granholm, said in an interview that, "The U.S. Administration will refill the SPR which saw millions of barrels of drawdowns last year, but the reserve will not be filled up soon."
- On Jul 12, QatarEnergy announced that, "A full 40% of all the new LNG that will come to the market by 2029 will be from Qatar."
- OPEC revised its 2023 global oil demand expectations to 2.44 million bpd with the Chinese economy getting stronger. Also for 2024, it expects another "healthy" 2.25 million bpd increase for the year.
- Oil products inventories at the UAE's Port of Fujairah increased for the first time in three weeks, after a 23% jump in gasoline and other light distillates.
- The U.S. crude oil stockpiles rose this week by 3.026 million barrels, after falling by 4.382 million barrels in prior week.
- A forecast made by OPEC demonstrate that global crude reserves increased by 17 billion barrels (1.1%) in prior year in comparison to 2021 and it passed 1.564 trillion barrels in 2022.

## Iran Bitumen News

- Last week 150,000 MT VB were supplied in IME, by 11% increase, 340,000 MT demand were registered. In the prior week, the supply rate soared by 7,000 MT clearly the whole amount was sold and weekly VB's fluctuation rate was from 0.9% to 14%. Due to increased output volume from Tehran, Bandar Abbas, Isfahan, and Arak refineries, the amount of offers has increased. Furthermore, VB from Isfahan refinery increased the most by 14% and the ratio between VB's close price and IME's export bitumen reached 90%, also VB's average value in Free Market USD was assessed at 269\$. In addition, VB's value in the Center of Exchange Dollar has reached 323\$. VB's average price base on the Free Market Dollar demonstrates a 30\$ increase.
- Supplies in IME's export market were around 40,000 MT and they were 7,800 MT less than the average of the prior month. Due to halted offers from Bandar Abbas Jey Oil and demand lackluster for Bandar Abbas Pasargad Oil Drum Bitumen, Abadan, Tehran, Tabriz, and Arak Pasargad Oil total amount of supplies were declined. For this amount of outputs, 36,230 MT demand was registered, and as it was less than supplies, not all of them were traded. Considering the free market USD to IRR exchange rate, at the published date, the bargained equivalent rates for Isfahan Jey Oil Bulk Bitumen were 292\$ and 309\$. Prices for Isfahan Jey Oil Drum Bitumen was 359\$. Furthermore, the rate for Bandar Abbas Pasargad Oil was 301\$.
- According to the latest Currency Committee enactment, the deadline for clearing foreign currency commitments in 2022-23 was extended to the end of Aug-Sep. During this period, exporters attempting to clear their commitments will be included in tax exemptions. Before this, the deadline was by the end of June-July.
- The head of Qeshm free-zone customs said, "The first heavy ship docked at Harra pier to get loaded and export 45,000 MT of bitumen to China.



## Analysts Comments



Jamie Dimon JPMorgan CEO cautioned against complacency on Friday, reeling off a list of pressing concerns in JPMorgan’s second-quarter earnings release and on the banking giant’s earnings call. The billionaire banker hailed the US economy’s resilience, the solid state of consumer balance sheets and spending, and continued employment growth in his earnings commentary. “The war in Ukraine continues, which in addition to the huge humanitarian crisis for Ukrainians, has large potential effects on geopolitics and the global economy,” he added. However, he noted the “headwinds are substantial and somewhat unprecedented. The bank chief again highlighted the Ukraine conflict, as well as potential disruption to global energy supplies, and the unknown fallout from governments reducing their nations’ money supply. If any of those dangers hit the US economy, it is unclear whether they would cause a “soft landing, a mild recession, or a hard recession,” he added.

Charlie Bilello	Larry Fink	Ray Dalio
Financial markets expert	BlackRock chief	Bridgewater founder
<p>Charlie Bilello weighed in on the latest budget-deficit figures, likening the US government’s spending habits to that of a “drunken sailor”. “This is occurring when the economy is still in an expansion with the Unemployment Rate near a 54-year low at 3.6%. What happens to the deficit when a recession hits?” The US budget deficit surged to \$2.3 trillion in the 12 months through June, The latest number is more than twice as big as the shortfall before the start of the pandemic, according to the Committee for a Responsible Federal Budget .</p>	<p>US debt is spiraling out of control – but a solution could lie in the economy’s accelerating growth, according to Larry Fink. Considering the high level of interest rates, some experts have sounded the alarm for a potential debt crisis , as the US will need to spend a larger share of its income to service its obligations. Interest payments alone will notch \$663 billion this year, according to an estimate from the Congressional Budget Office. But a solution could lie in the US’s economic growth, Fink said, which he predicted would pick up in the coming years thanks to ongoing fiscal stimulus measures, such as the CHIPS Act and President Biden’s \$1 trillion bill to boost America’s infrastructure.</p>	<p>Billionaire investor Ray Dalio said the US is at the beginning of a debt crisis - and warned worse times are ahead for the economy. “In my opinion, we are at the beginning of a very classic late, big cycle debt crisis, when the supply-demand gap, when you are producing too much debt and have a shortage of buyers,” Dalio said during the Bloomberg Invest conference on Wednesday. “it has to be bought and has to have a high enough interest rate,” the Bridgewater founder added. Dalio was building on the recent debt-ceiling bill passed by Congress, and President Joe Biden. In order to pad out its cash reserve, the Treasury department has already announced plans to issue \$1.6 trillion in T-bills this year until the end of 2023.</p>

## Loading Report

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

Jul 08 - Jul 14

Jetty No.	PG1	PG3	PG4	PG6	PG7	PG9	PG10	Total Amount	
MT AP	2,700							2,700	
MT G E	9,800							9,800	
MT G Q 1		3,500						3,500	
MT C		6,800						6,800	
MT G P			10,000					10,000	
MT A V			3,800					3,800	
MT S			1,000					1,000	
MT R				5,000				5,000	
MT B M				1,500				1,500	
MT H					5,500			5,500	
MT K						3,700		3,700	
MT N O							3,000	3,000	
Total Amount	56,300	12,500	10,300	14,800	6,500	5,500	3,700	3,000	56,300

## Jul 08 - Jul 14 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 A M	DUBAI ANCH., UAE	UMM QASR ANCH., IRAQ	PERSIAN GULF
2	MT A	KHOR AL FAKKAN, UAE	KHOR AL FAKKAN, UAE	PERSIAN GULF
3	MT C 7	MINA SAQR, UAE	KHOR AL ZUBAIR, IRAQ	PERSIAN GULF
4	MT R 1	AL BASRAH, IRAQ	AL BASRAH, IRAQ	PERSIAN GULF
5	MT I	MUMBAI, INDIA	MANGALORE, INDIA	WEST COAST INDIA
6	MT G P	TANJUNG LANGSAT	KHOR AL FAKKAN, UAE	OMAN GULF
7	MT S	SHARJAH, UAE	CHITTAGONG, BANGLADESH	LACCADIVE SEA
8	MT I	KHOR AL ZUBAIR, IRAQ	KHOR AL FAKKAN ANCH., UAE	OMAN GULF
9	MT G R	UMM QASR ANCH., IRAQ	DIBA	OMAN GULF
10	MT A	DUBAI ANCH., UAE	BASRAH, IRAQ	PERSIAN GULF
11	MT S	HAMRIYA, UAE	AJMAN, UAE	PERSIAN GULF



## Mercantile Exchange

### VB Transactions

Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	Jul 08 - Jul 14	Jul 01 - Jul 07	Jul 08 - Jul 14	Jul 01 - Jul 07	Change	Jul 08 - Jul 14	Monthly Average	Jul 08 - Jul 14	Jul 08 - Jul 14	Jul 01 - Jul 07	Last Month
Tabriz Refinery	75,700	80,000	132,787	131,578	0.9%	6,000	2,400	18,100	6,000	6,000	18,000
Tehran Refinery	75,700	80,000	125,404	121,009	3.6%	12,000	8,400	25,290	12,000	12,000	54,000
Shiraz Refinery	79,500	84,000	123,484	114,275	8.1%	7,000	10,200	19,100	7,000	10,000	58,000
Esfahan Refinery	75,700	80,000	136,334	119,566	14.0%	50,000	40,000	116,750	50,000	0	250,000
Abadan Refinery	75,700	80,000	120,740	113,433	6.4%	10,000	10,600	31,500	10,000	15,000	63,000
Bandar Abbas Refinery	79,500	84,000	139,122	128,614	8.2%	50,000	31,000	82,400	50,000	35,000	175,000
Arak Refinery	75,700	80,000	133,700	123,087	8.6%	15,000	11,000	46,700	15,000	15,000	70,000
Total						150,000	113,600	339,840	150,000	93,000	688,000

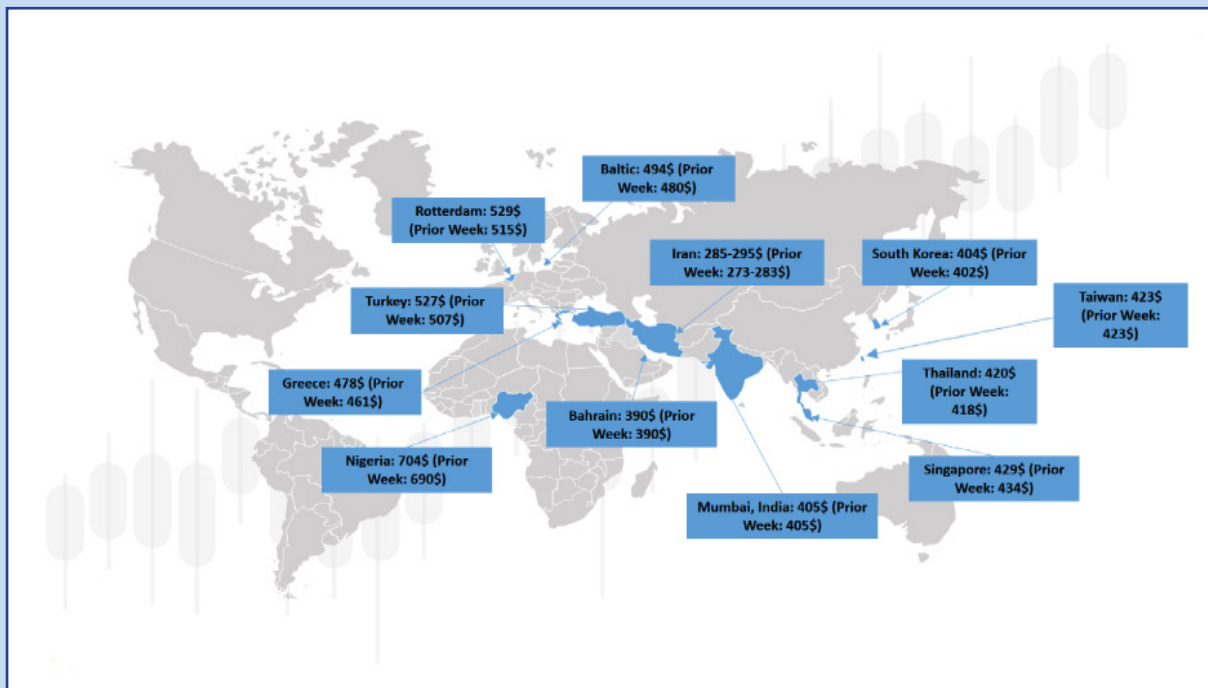
### Export Bitumen Transactions

Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	Jul 08 - Jul 14	Jul 01 - Jul 07	Jul 08 - Jul 14	Jul 01 - Jul 07	Change	Jul 08 - Jul 14	Monthly Average	Jul 08 - Jul 14	Jul 08 - Jul 14	Jul 01 - Jul 07	Volume Change
Jey Oil - Esfahan - BEX	144,000	135,000	144,000	136,841	5.2%	7,000	8,000	7,000	7,000	12,000	39,000
Jey Oil - Esfahan - BEX	151,000	0	152,090	0	-	6,000	0	10,280	6,000	0	6,000
Jey Oil - Esfahan - GEX	177,000	163,000	177,000	165,915	6.7%	4,000	5,600	4,000	4,000	7,300	31,300
Jey Oil - Bandar Abbas - BEX	0	0	0	0	-	0	4,600	0	0	0	17,000
Pasargad Oil - Bandar Abbas - BEX	148,500	141,000	148,500	141,200	5.2%	15,000	5,200	14,450	14,450	5,000	33,450
Pasargad oil - Bandar Abbas - GEX	173,500	166,000	0	167,795	-	1,000	1,800	0	0	2,000	2,000
Pasargad Oil Abadan	137,500	0	0	0	-	4,000	7,800	0	0	0	23,000
Pasargad Oil Tabriz	147,000	147,000	0	0	-	1,000	1,200	0	0	0	3,600
Pasargad Oil Tehran BEX	135,000	135,000	0	135,000	-	1,000	800	0	0	1,000	1,750
Pasargad Oil Arak Bex	137,500	135,000	0	135,001	-	1,000	1,800	500	0	1,000	5,150
Pars Behin Qeshm Oil Refining	0	0	0	0	-	0	11,000	0	0	0	45,000
Total						40,000	47,800	36,230	31,450	28,300	207,250

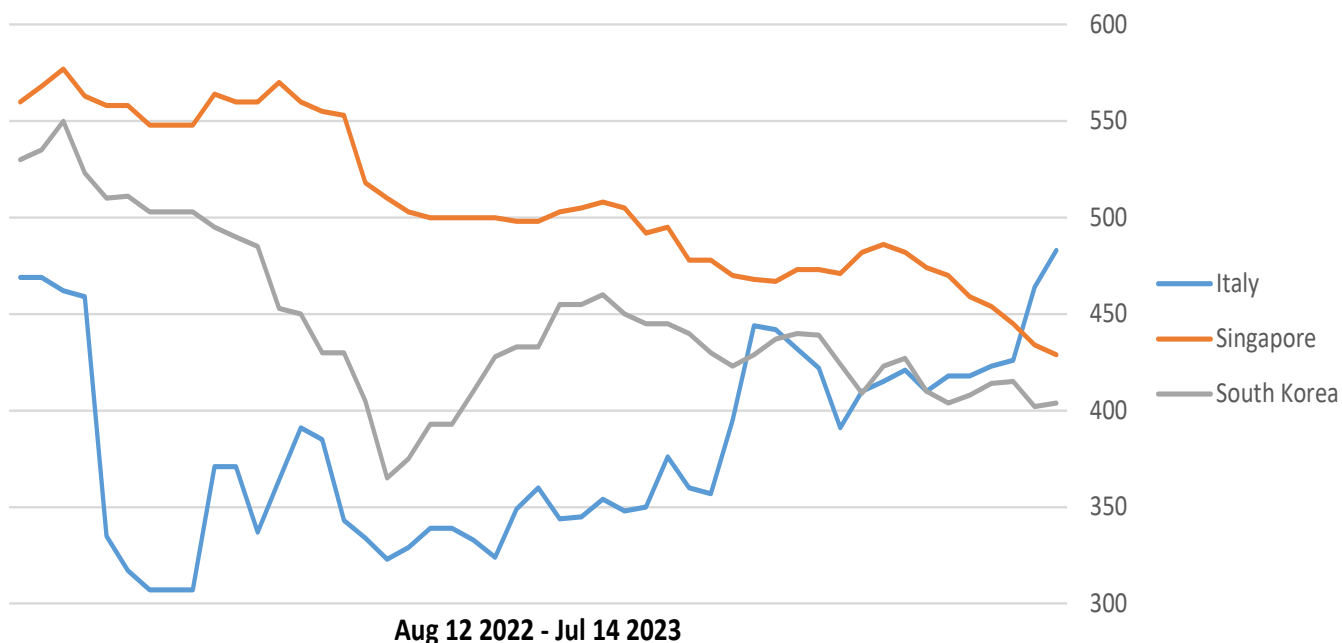
### Bitumen & Jumbo Bag Prices

Product	Weekly Range - Jul 08 to Jul 14	Product	Weekly Range - Jul 08 to Jul 14
Drum FOB Private	385-400	Bulk FOB Private	285-295
Drum FOB Embossed	395-405	Bulk FOB Governmental	285-295
Jumbo Bag Private	370	Jumbo Bag Governmental	-
Bulk Ex-Work Isfahan	330-340	Bulk Ex-Work Tabriz	340-350

## 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	1000	Sudan	1300	Jakarta	850	
	Chittagong	1000	Ningbo	175	Singapore	850	
	Colombo	950	Shanghai	175	Ho Chi Minh	675	
	Port Klang	275	Qingdao	200	Haiphong	875	
	Jebel Ali	50	Tianjin	250	-	-	
	Mombasa	1050	Aden	1250	-	-	

# Oil Analysis

Monthly Timeframe



1-hour Timeframe



Technical Analysis

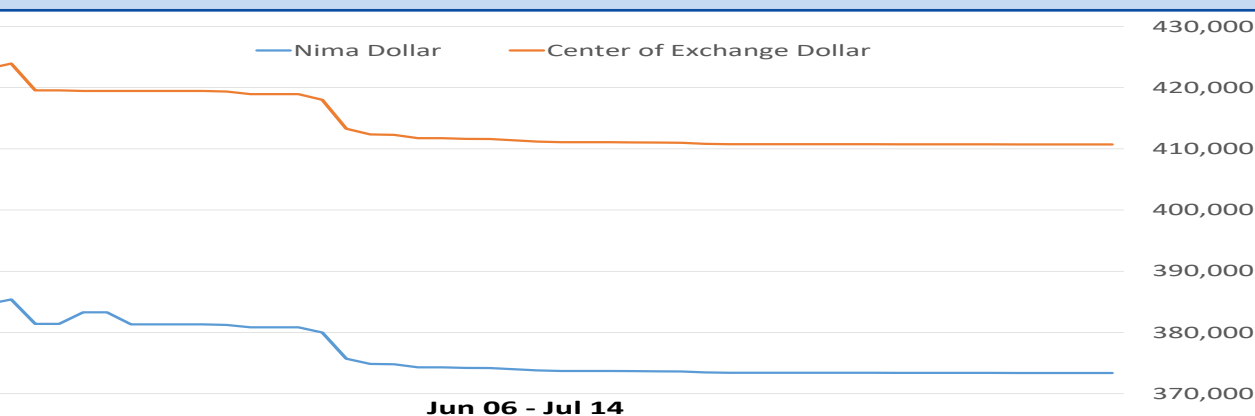
As producers' inflation (PPI) has an impact on economic decisions, we used PPI + Crude chart. It demonstrates during specific timelines that PPI increased, energy consumption grew as well which led to higher crude prices. Although the U.S. inflation is cooling down but PPI is still moving above the midline and it possibly could lead to the crude uptrend. According to this analysis, with a higher PPI, crude prices could reach 100\$ per barrel. In the short-term chart, the bearish channel of crude was changed to bullish. The bottom and the top prices are 91 and 74 respectively.

Fundamental Analysis

In the prior week, Brent continued its uptrend and increased 5% on a month-to-month basis. Although, the prices went up but, it was in contradiction with US Dollar Index movements as concerns around Chinese energy demand put pressure on prices. Statistics showed that China's crude imports increased by 4% but the economic state of the country is not as expected and the exports declined by 12%. With China's situation, IEA soared its global crude consumption in 2023 to 2.2 million barrels per day. In addition, the U.S. inflation decreased this week and led to concerns about another interest rate hike disappearing. Mentioned reasons plus halted 300,000 bpd productions in Libya were the prominent ones that had an impact on crude prices. Also, the total amount of crude stored in tankers which was idle for at least a week, increased by 5.5% to 112.07 million barrels.



## Exchange Rate - USD/IRR



Description	Date	7/14/2023	7/13/2023	7/12/2023	7/11/2023	7/10/2023	7/9/2023
Iran Center of Exchange Dollar Remittance	Change	373,382	373,382	373,382	373,384	373,385	373,392
	Weekly Change	0.0%	0.0%	0.0%	0.0%	-4.9%	0.0%
Iran Center of Exchange Dollar	Change	410,720	410,720	410,720	410,722	410,723	410,731
	Weekly Change	0.0%	0.0%	0.0%	0.0%	-5.0%	0.0%
Free Market Dollar	Change	493,500	493,500	493,500	492,000	498,700	499,500
	Weekly Change	-1.1%	-2.6%	-2.6%	-2.3%	-0.7%	-0.6%

## US Dollar Exchange Rate



## USD/CNY



## USD/INR



## USD/EUR





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