

WEEKLY REVIEW OF BITUMEN MARKET IN IRAN & THE WORLD



Bitumen Petro Co.

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Highlights

- Suhail al-Mazrouei, the energy minister of the UAE mentioned that, “The current moves of OPEC+ to cut oil production are enough to support the market.”
- With rising temperatures during summer and lower than expected injections into gas storage sites, the U.S. natural gas prices set the first weekly gain after one month of downtrend.
- On Friday, Aramco announced that, it had purchased a 10% stake in a Chinese petrochemical firm for the equivalent of 3.4\$ billion.
- According to Xinhua news agency, “China National Petroleum Corporation has begun drilling an ultra-deep well with a designed depth of 10,520 meters in the Sichuan province.”
- Russia’s oil and gas earnings may increase approximately by 60% to 9.3\$ billion in July from May.
- ExxonMobil is about to nearly double the handling of LNG volumes to more than 40 million tons per year by 2030.
- China’s crude imports is near its peak while its domestic product has also increased. Country’s imports in June rose by 45.3 percent on the year to the second-highest monthly record, as refineries are building up their stockpiles despite weak domestic demand.
- Giant LNG buyers in North Asia have reduced their imports of Russian cargoes to the lowest level in two years, as the world’s top LNG importers are looking for diversified supplies amid current conditions.
- According to API. “Crude oil inventories in the U.S. decreased this week by 797,000 barrels after increasing by 3.026 million barrels in prior week.”

Iran Bitumen News

- Last week 143,000 MT VB were supplied in IME, close to the previous week, 340,000 MT demand were registered. In prior week, the supply rate declined by 7,000 MT clearly the whole amount was sold and weekly VB's fluctuation rate was from 0.7% to 8.6%. Due to reduced output volumes from Bandar Abbas refinery, the amount of offers has declined. Furthermore, VB from Abadan refinery increased the most by 8.6% and the ratio between VB's close price and IME's export bitumen stayed at 90%, also VB's average value in Free Market USD was assessed at 284\$. In addition, VB's value in the Center of Exchange Dollar has reached 336\$, which demonstrates 15\$ soar in comparison to the week before.
- Supplies in IME's export market were around 48,000 MT and they were 4,800 MT less than the prior month's average. Due to offers from Tabriz, Arak, Abadan Pasargad Oil, and Pars Behin Qeshm Oil total amount of supplies was increased. For this amount of outputs, 77,800 MT demand were registered and as it was more than supplies, 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 and Drum Bitumen were 319\$ and 375\$ respectively. Price for Bandar Abbas Pasargad Oil Bulk Bitumen was 303\$. Furthermore, the rate for Tabriz and Abadan Pasargad Oil was 303\$ and Pars Behin Qeshm Oil Bitumen was assessed at 315\$.
- Pasargad Oil Company's annual general meeting was held at Jul 19. During this meeting, the firm's CEO emphasized achieving 1,600,000 MT in production. He added, in the last winter with the natural gas shortage, most of the firms produced fuel oil, as a result, the company faced VB shortage and it had an impact on outputs. The CEO also mentioned that the firm is aiming to sell energy via IME and it is under process.
- Meetings for Isfahan and Bandar Abbas were held in the previous week and both companies highlighted the importance of refinement firms' demands from NIORDC. In Bandar Abbas refinery meeting it was announced that NIORDC should pay 240,000 billion IRR but its' funds are blocked. In this situation, projects will not execute and a 5% government discount would be canceled.

Analysts Comments



More than 10 years of home price gains could soon come to a close once the Federal Reserve's tightening cycle ends, Sterling Professor of Economics at Yale University Robert Shiller told CNBC. "I think the fear of interest rate increases has influenced people's thinking," he said. "It's not just homeowners. It's new buyers who wanted to get in before the interest rates went up even more. They wanted to lock in. So that's been a positive influence on the market, but it's coming to an end." That contrasted with the housing market's traditional reputation for being more easily predictable, he added, especially after more than 10 years of steady home price gains that investors assumed would continue. "But it may be coming to an end with the end of this interest-rate-rising cycle," Shiller said. His view runs counter to others on Wall Street who see the end of Fed rate hikes as bullish for home prices as borrowing costs moderate and bring back more demand.

Barry Habib	Gregory Daco	Tom Lee
economists & three-time winner of the Zillow and Pulsenomics Crystal Ball Award for the most accurate real estate forecaster	EY Chief Economist	Head of Research and Equity Strategist in Fundstrat's
Barry Habib expects home values to rise by 5.8% in 2023 — and between 3% and 7% annually, depending on market, for the next one to three years. The real estate guru estimated there's a shortage of about 1.5 million homes in America, meaning demand significantly outstrips supply and should shore up prices. Market jitters could also drive mortgage rates higher, or a severe downturn and surge in joblessness could dampen housing demand, he said.	A quarter-point hike to the 5.25%-5.50% range would "more than likely mark the end of a historic tightening cycle," EY Chief Economist Gregory Daco wrote in a note Friday. "But those expecting a fanfare will be disappointed as the Fed will make every (too many) efforts to sound as hawkish as tolerable for financial markets, to avoid an undesired easing of financial conditions. "While inflation is slowing, core inflation (excluding food and energy) is showing persistence. Central bankers viewing inflation risks as tilted to the upside will generally favor overtightening.	Tom Lee said there are upcoming catalysts that should be bullish for the markets, Those catalysts include the upcoming Federal Reserve meeting on July 26, which could see the last rate hike of this cycle. Additionally, Lee is looking to the July 28 release of personal consumption expenditures price data, which should mirror trends seen in the June CPI report that showed inflation is cooling. Finally, Lee expects the July CPI report, scheduled to be released on August 10, to show continued disinflationary pressures.

Loading Report

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

Jul 15 - Jul 21									
Jetty No.	PG1	PG2	PG3	PG4	PG6	PG9	PG10	Total Amount	
Vessel Name	PG1	PG2	PG3	PG4	PG6	PG9	PG10	Total Amount	
MT I	10,000							10,000	
MT P	10,000							10,000	
MT A		10,000						10,000	
MT AO			7,500					7,500	
MT N 1			3,000					3,000	
MT D			2,700					2,700	
MT SH				5,500				5,500	
MT G R				4,000				4,000	
MT R 1				3,500				3,500	
MT Y				5,000				5,000	
MT A					6,000			6,000	
MT M					2,100			2,100	
MT R O					3,100			3,100	
MT C						6,800		6,800	
MT AL X						3,000		3,000	
MT G Q 1							4,500	4,500	
MT AB V							5,000	5,000	
Total Amount	91,700	20,000	10,000	13,200	18,000	11,200	9,800	9,500	91,700

Jul 15 - Jul 21 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 E	FUJAIRAH, UAE	FUJAIRAH, UAE	OMAN GULF
2	MT G Q	KHOR AL FAKKAN ANCH., UAE	DIBA	OMAN GULF
3	MT C	UMM QASR ANCH., IRAQ	SHARJAH ANCH., UAE	PERSIAN GULF
4	MT G P	TANJUNG LANGSAT	KHOR AL FAKKAN, UAE	PERSIAN GULF
5	MT AB V	SHARJAH, UAE	SHINAS, OMAN	OMAN GULF
6	MT R	AL BASRAH ANHC., IRAQ	KARWAR, INDIA	WEST COAST INDIA
7	MT B M	MUSCAT, OMAN	KHOR AL FAKKAN, UAE	OMAN GULF
8	MT H	KHOR AL FAKKAN, UAE	FUJAIRAH ANCH., UAE	OMAN GULF
9	MT K	KARAIKAL, INDIA	MINA SAQR, UAE	PERSIAN GULF
10	MT N O	MINA SAQR, UAE	MINA SAQR, UAE	PERSIAN GULF

Mercantile Exchange

VB Transactions

Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	Jul 15 - Jul 21	Jul 08 - Jul 14	Jul 15 - Jul 21	Jul 08 - Jul 14	Change	Jul 15 - Jul 21	Monthly Average	Jul 15 - Jul 21	Jul 15 - Jul 21	Jul 08 - Jul 14	Last Month
Tabriz Refinery	75,700	75,700	137,577	132,787	3.6%	6,000	3,600	17,300	6,000	6,000	24,000
Tehran Refinery	75,700	75,700	130,639	125,404	4.2%	15,000	10,800	36,910	15,000	12,000	62,000
Shiraz Refinery	79,500	79,500	130,550	123,484	5.7%	7,000	11,600	22,575	7,000	7,000	46,000
Esfahan Refinery	75,700	75,700	141,495	136,334	3.8%	50,000	50,000	103,300	50,000	0	250,000
Abadan Refinery	75,700	75,700	131,160	120,740	8.6%	10,000	12,600	30,000	10,000	10,000	55,000
Bandar Abbas Refinery	79,500	79,500	140,074	139,122	0.7%	40,000	35,000	75,600	40,000	50,000	175,000
Arak Refinery	75,700	75,700	138,089	133,700	3.3%	15,000	14,000	54,800	15,000	15,000	70,000
Total						143,000	137,600	340,485	143,000	100,000	682,000

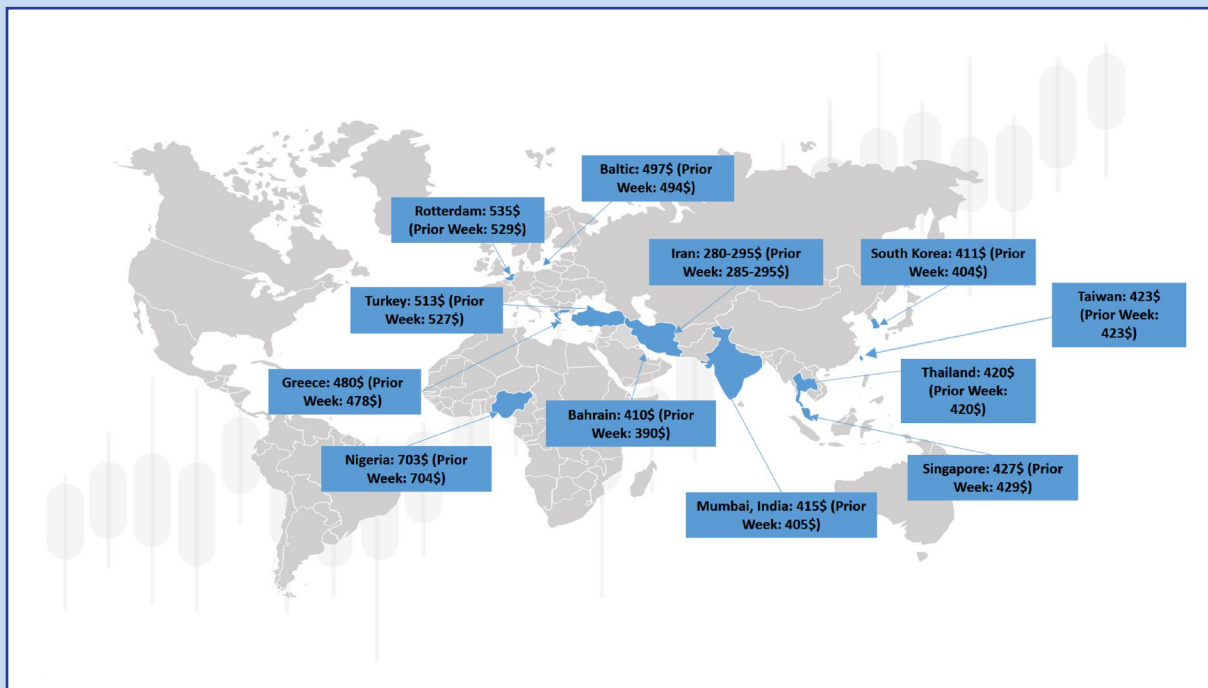
Export Bitumen Transactions

Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	Jul 15 - Jul 21	Jul 08 - Jul 14	Jul 15 - Jul 21	Jul 08 - Jul 14	Change	Jul 15 - Jul 21	Monthly Average	Jul 15 - Jul 21	Jul 15 - Jul 21	Jul 08 - Jul 14	Volume Change
Jey Oil - Esfahan - BEX	151,000	144,000	154,688	144,000	7.4%	3,000	9,400	10,000	3,000	7,000	32,000
Jey Oil - Esfahan - BEX	155,000	151,000	155,000	152,090	%1.9	10,000	1,200	11,000	10,000	6,000	16,000
Jey Oil - Esfahan - GEX	177,000	177,000	182,000	177,000	2.8%	2,000	6,400	8,800	2,000	4,000	25,300
Jey Oil - Bandar Abbas - BEX	0	0	0	0	-	0	4,600	0	0	0	15,000
Pasargad Oil - Bandar Abbas - BEX	159,000	148,500	159,000	148,500	7.1%	7,000	8,200	2,000	2,000	14,450	28,450
Pasargad oil - Bandar Abbas - GEX	186,000	173,500	0	0	-	3,000	2,000	1,000	0	0	2,000
Pasargad Oil Abadan	147,000	137,500	147,000	0	-	10,000	7,600	3,000	3,000	0	20,000
Pasargad Oil Tabriz	147,000	147,000	147,000	0	-	1,000	1,400	1,000	1,000	0	3,600
Pasargad Oil Tehran BEX	150,000	135,000	0	0	-	1,000	1,000	0	0	0	1,000
Pasargad Oil Arak Bex	150,000	137,500	150,000	0	-	1,000	2,000	1,000	1,000	0	6,000
Pars Behin Qeshm Oil Refining	140,684	0	152,789	0	-	10,000	9,000	40,000	10,000	0	55,000
Total						48,000	52,800	77,800	32,000	31,450	204,350

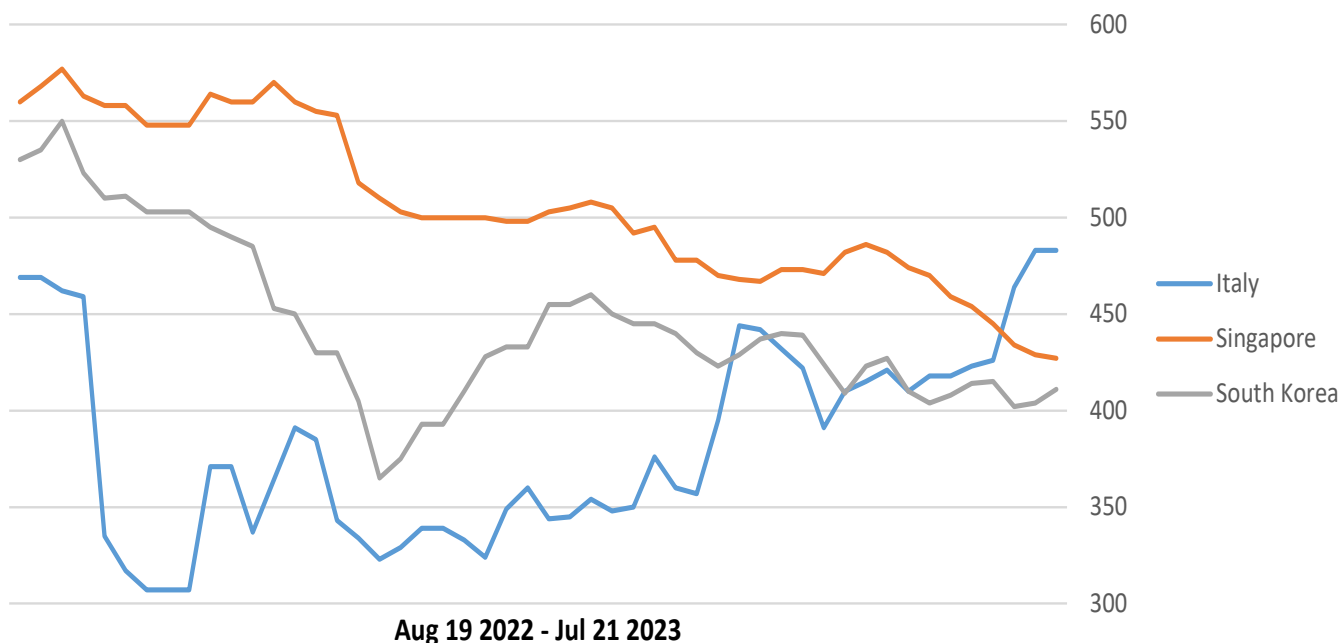
Bitumen & Jumbo Bag Prices

Product	Weekly Range - Jul 15 to Jul 21	Product	Weekly Range - Jul 15 to Jul 21
Drum FOB Private	385-395	Bulk FOB Private	280-300
Drum FOB Embossed	400-410	Bulk FOB Governmental	290-300
Jumbo Bag Private	380	Jumbo Bag Governmental	-
Bulk Ex-Work Isfahan	350	Bulk Ex-Work Tabriz	360

Global Bitumen Prices



Prices Chart



Freight Rate



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Last Update: Jul 8-14



Sponsored By: Radian Daryaye Mahan Company

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

Weekly Timeframe



1-hour Timeframe



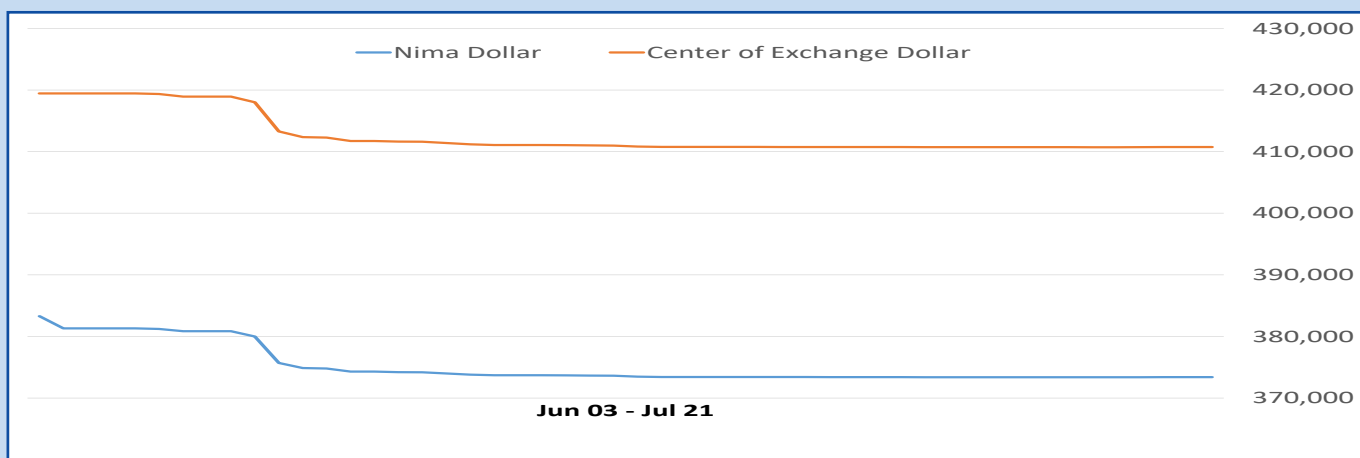
Technical Analysis

Same as in prior weeks, crude chart was analyzed in both short and long-term timeframes. In this week, we used the WTI chart in order to present a long-term analysis. According to mentioned chart, during last three decades, crude price was in a bullish parallel channel, and in the coming week, the price would be able to touch the top of the horizontal channel. In this scenario, there is a possibility that a pivot in the trend will happen. On the other hand, if the price breaks the resistance, it would be able to soar about 20\$. In the short term, the price hit a resistance at 83\$. If it passes the mentioned resistance, it would be able to increase by 91.5\$, if not, the price will plunge to 75\$.

Fundamental Analysis

In previous weeks, crude price was affected by cutting outputs announcements and impacts are still visible in the market. During this week, published vessel tracking data was a confirmation for a reduction in supplies as Russian cargoes plunged to a six-month low and reached 3.1 mbpd. In addition, the U.S. crude production is also in a bearish trend and Baker Hughes' weekly report demonstrates that active oil platforms in the country reached the 16-month bottom. While no considerable changes happened in the country's crude outputs. Considering mentioned factors, the U.S. was in a challenging situation to fill the Russian and Saudi Arabia's cargoes. However, a sharp rise in gasoline and gasoil crack spreads, coming summer holidays in north hemisphere and consecutive output cuts by OPEC+ are paving the road for a bullish crude. On the other hand, China is trying to increase inventory levels as economic data demonstrate a 4.6% rise in crude imports, which is a new record in three recent years. As the U.S. increased its production, China was attempting to rise its inventories. Vortexa data showed that the amount of crude oil being stored in idle tankers plunged to 95 million barrels.

Exchange Rate - USD/IRR

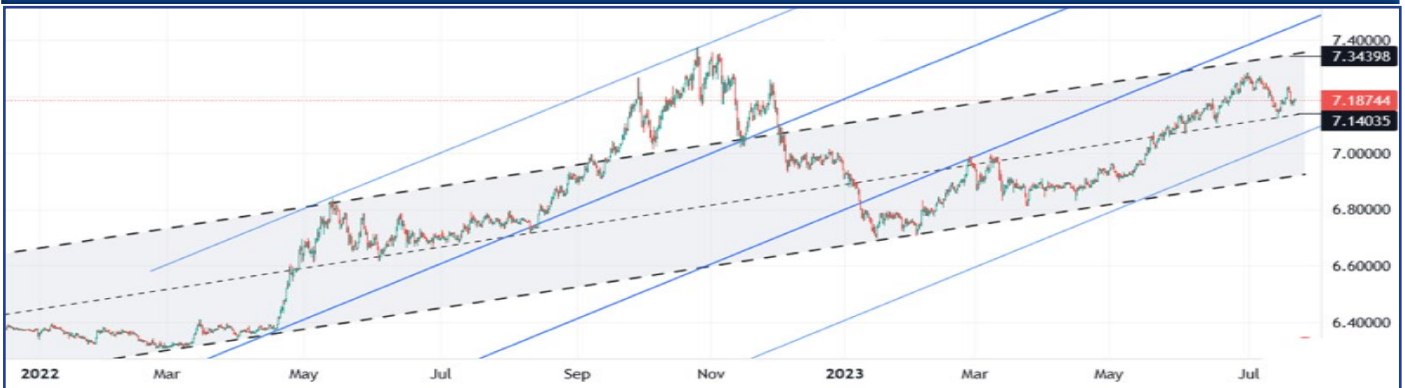


Description	Date	7/21/2023	7/20/2023	7/19/2023	7/18/2023	7/17/2023	7/16/2023
Iran Center of Exchange Dollar Remittance	Change	373,398	373,398	373,398	373,387	373,380	373,380
	Weekly Change	0.0%	0.0%	0.0%	0.0%	-4.9%	0.0%
Iran Center of Exchange Dollar	Change	410,738	410,738	410,738	410,726	410,718	410,718
	Weekly Change	0.0%	0.0%	0.0%	0.0%	-5.0%	0.0%
Free Market Dollar	Change	485,800	485,800	485,000	488,500	488,500	485,000
	Weekly Change	-1.5%	-1.5%	-1.7%	-0.7%	-2.0%	-2.9%

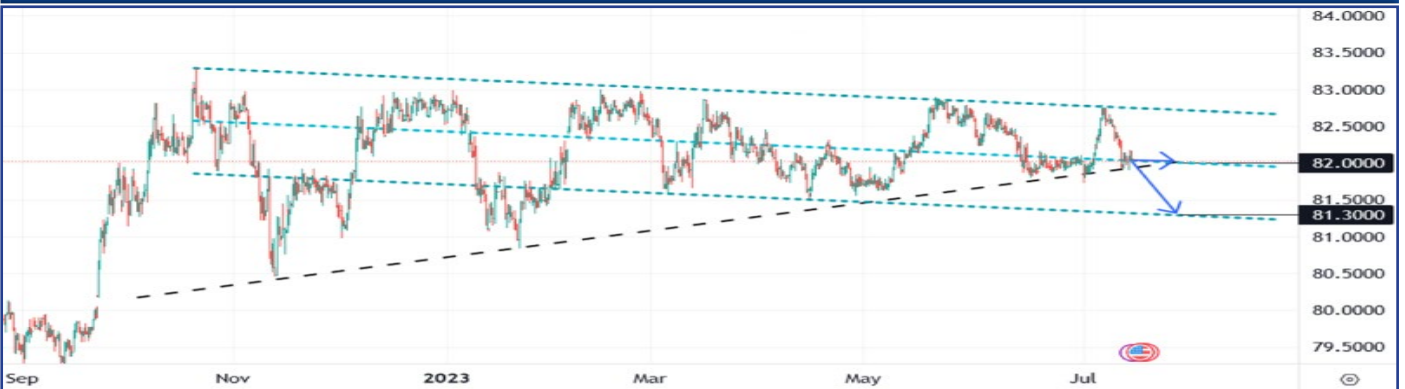
US Dollar Exchange Rate



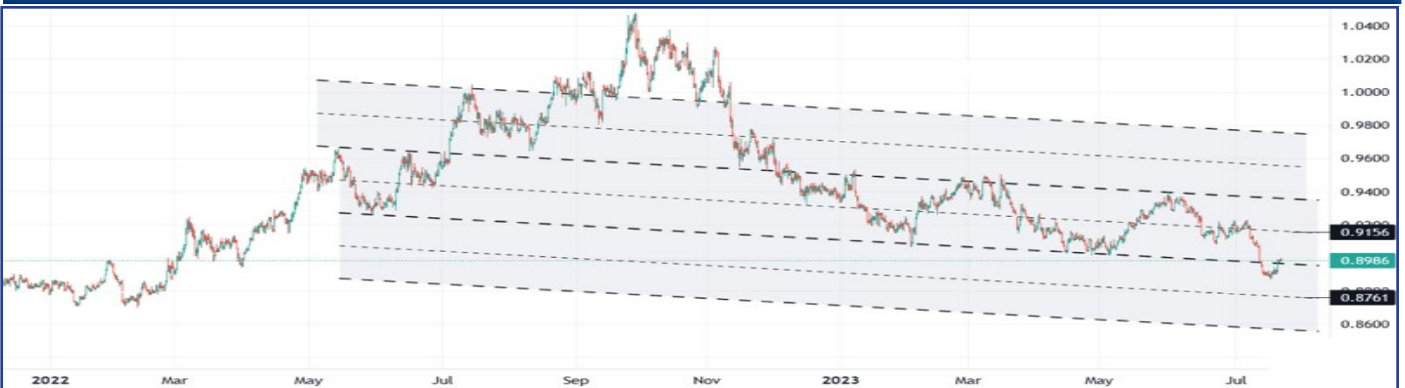
USD/CNY



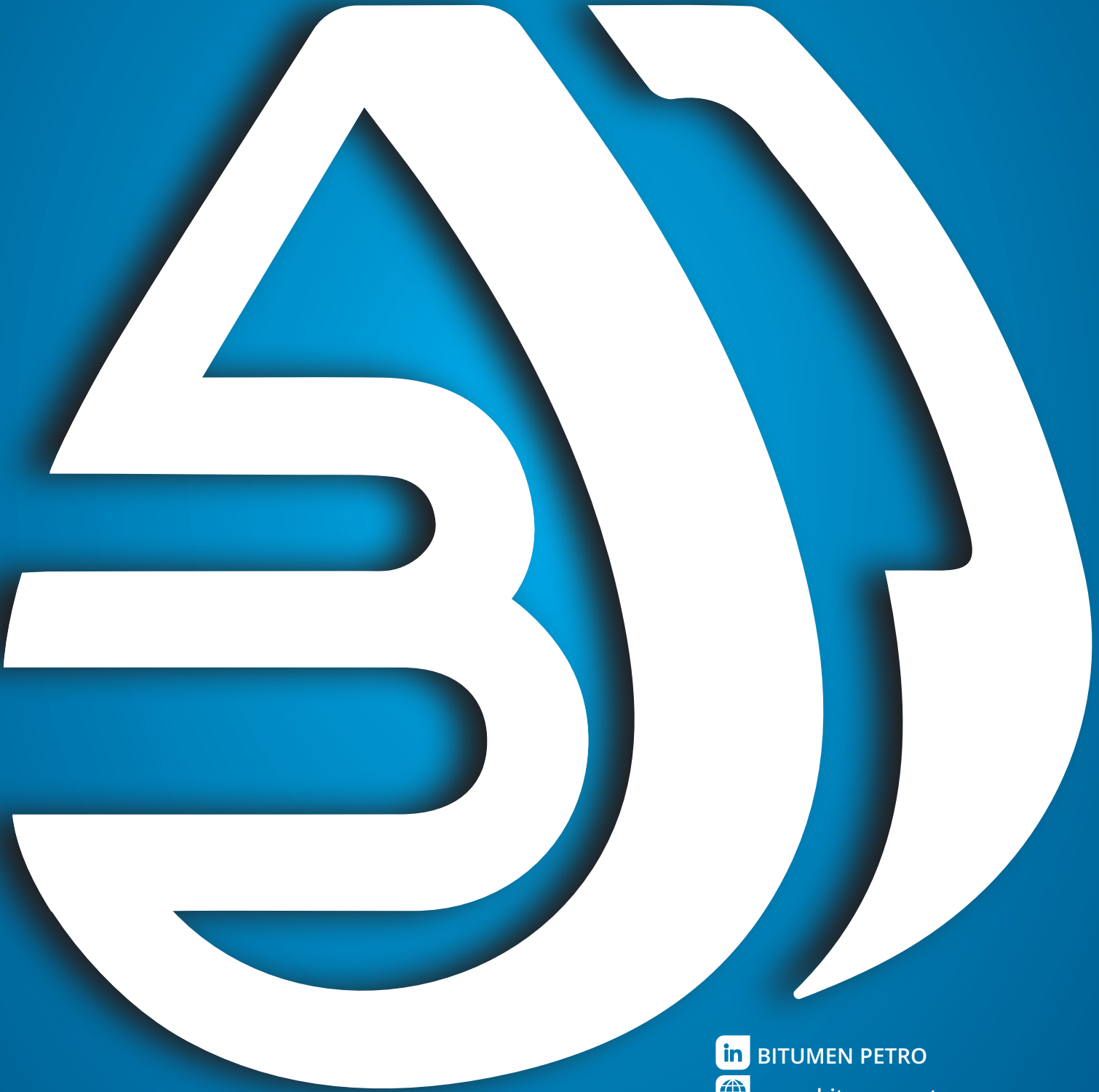
USD/INR



USD/EUR



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