

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



Date: Sep 18 2023

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

Highlights

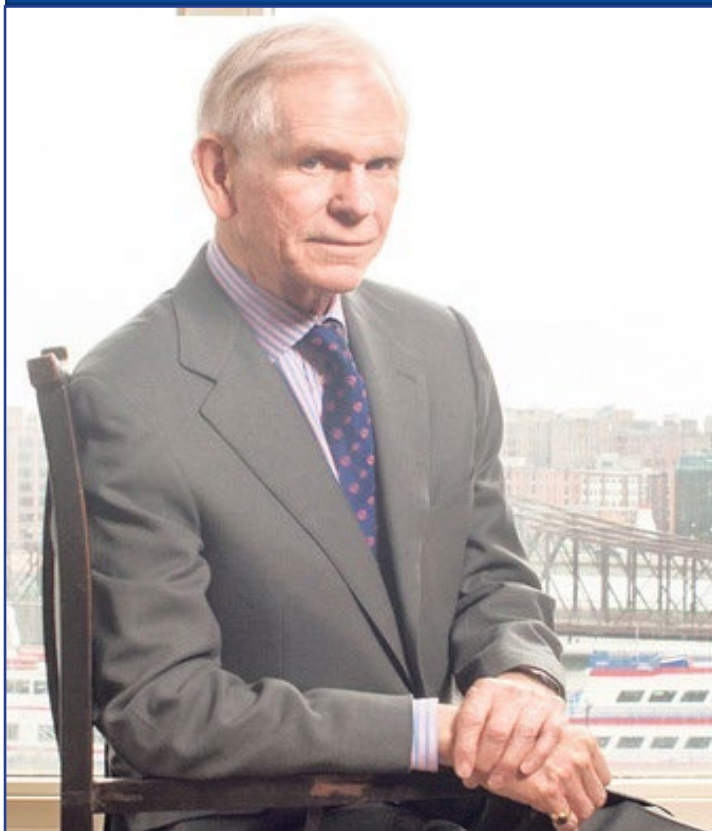
- The devastating flood in Libya, which has tragically claimed over 11,000 lives with thousands still missing, has not impacted the functioning of the country's oil export terminals. According to the head of Libya's state oil firm, oil ports are operating normally despite the humanitarian crisis caused by the flood.
- In August, global loadings of crude and condensate experienced a significant decline, reaching their lowest point since June 2022. This drop was primarily driven by a sharp decrease in cargo loadings from Saudi Arabia, as reported by Vortexa.
- Despite ongoing strikes and a production issue that caused a 25% shutdown in LNG production, Chevron's two LNG facilities are still exporting cargoes. This information is based on vessel-tracking data from LSEG Eikon and Kpler, as reported by Reuters.
- China's refiners increased their crude oil processing to a record-high of 15.23 million barrels per day (bpd) in August. This surge in processing was driven by high margins on the export markets and peak domestic summer demand. The information comes from official Chinese data.
- West Texas Intermediate (WTI) crude oil prices surged past the \$90 mark in Thursday morning trading. This increase represents a gain of over 30% in just three months. The rise in prices can be attributed to sustained production cuts by OPEC+ and signals of a tightening market.
- Qatargas has undergone a name change and is now known as QatarEnergy LNG. This change reflects Qatar's dedication to maintaining its position as one of the world's leading suppliers of liquefied natural gas (LNG).
- OPEC has countered claims by the International Energy Agency (IEA) that peak oil and fossil fuel demand would occur before 2030. OPEC maintains that data-based forecasts suggest a later timeline for such a peak and rejects the notion that this marks the "beginning of the end of fossil fuels."
- Increased gasoline and diesel prices in the United States contributed to higher inflation in August. Consequently, the White House has engaged with the oil and gas industry to ensure a stable supply.
- In August, Russia's oil export revenues reached \$17.1 billion, marking a significant increase of \$1.8 billion compared to July. This boost in revenue was primarily attributed to higher oil prices, which offset the impact of lower export volumes. This information was detailed in the International Energy Agency's (IEA) Oil Market Report for September.

Iran Bitumen News

- In the latest week, the Iran Mercantile Exchange (IME) witnessed the supply of 188,000 metric tons of Vacuum Bottom (VB), marking a notable increase of 27,000 metric tons compared to the prior week. All the supplied VB found buyers, and throughout the week, the prices experienced fluctuations ranging from -4.2% to 6.8%. This surge in supply can be attributed to increased production from all refineries. The Tabriz refinery's VB recorded the most significant price increase, surging by 6.8%. The closing price of VB relative to IME's export bitumen reached a level of 90%. In terms of valuation, VB averaged \$277 in the Free Market USD, with its value on the Center of Exchange Dollar reaching \$332.
- In the IME's export market, approximately 57,000 metric tons of bitumen were available, which was slightly less than the preceding month's average by 7,100 metric tons. This reduction in supplies was attributed to fewer offers from suppliers. However, despite the decrease in supply, the total amount of outputs was fully traded. Demand in this market reached 64,050 metric tons, surpassing the available supplies. The negotiated equivalent rates for Isfahan Jey Oil Bulk Bitumen were in the range of 317\$ to 347\$. Meanwhile, the prices for Bandar Abbas Pasargad Oil Bulk and Drum Bitumen were 319\$ and 378\$, respectively. Additionally, Arak Pasargad Oil offered Bulk and Drum Bitumen at rates of 346\$ and 386\$, with Arak Pasargad oil priced at 321\$. Pars Behin Qeshm Oil's bitumen was available at a rate of 281\$ per barrel.
- In a communication dated June 22, 1402, the Iran Commodity Exchange has officially notified a modification in the advance payment rate for the procurement of vacuum bottoms. Effective from June 26, 1402, it has been decreed that the advance payment rate for purchasing vacuum bottoms on the Iran Commodity Exchange will stand at 10%, pending any subsequent updates. Prior to this adjustment, the advance payment rate for vacuum bottoms acquisition was established at 20%.
- In early September, the Union of Oil, Gas, and Petrochemical Product Exporters approached the Central Task Force for Combating Smuggling of Goods and Currency with a request. They sought favorable conditions that would allow manufacturers to transport their export shipments of various oils and lubricants using flexi-tanks. The idea was to enable these producers to move their export cargo from the factory to the customs office using tanker trucks. Once the tanker was sealed at the customs office, these trucks would then proceed to the export ports. There, under the watchful eye of customs officials, the cargo in these tanks would be transferred to flexi-tanks. In response to this proposal, the Task Force for Combating Smuggling of Goods and Currency elaborated on the reasons behind the prohibition of transporting oil products through flexi-tanks. According to their explanation, customs sampling is performed on the final container of the cargo. Due to concerns about potential tampering or confiscation during this process, it was determined that this procedure is not feasible. Consequently, a meeting will be convened at the customs office, involving stakeholders, to delve further into this matter.



Analysts Comments



There's a historic bubble in stocks that's about to burst — and the US economy will most likely suffer a recession, Jeremy Grantham has warned. Grantham, who's been sounding the alarm since the summer of 2020, suggested the buzz around artificial intelligence has delayed the deflation of the current tech bubble. "I'm very nervous about an eventual financial trouble," Grantham said, echoing his warning earlier this year that the collapse of Silicon Valley Bank and other regional lenders this spring could herald a "rolling financial stress." As for the housing market, Grantham advised steering clear. He pointed out that two decades of declining mortgage rates have driven prices to "really crushing" high multiples across large parts of the developed world. During the Livewire Markets event, Grantham was asked what he thought the probability of a US recession was in the next 18 months. Goldman Sachs sees only a 15% chance of a recession in the next 12 months, and the Fed's staff economists don't expect one either .

- **H**ousing affordability is about to get even worse due to the lagging impacts of higher mortgage rates, according to Morgan Stanley. "That's not the case anymore. Affordability is still very challenged and now it's started to get worse again," said Morgan Stanley's Jim Egan. "By our calculations, the monthly payment on the median priced home is up 18% over the past year, and that's the first time that deterioration has accelerated since October of 2022." Markets are expecting the Fed to keep interest rates elevated through the rest of the year as they monitor inflation, which could influence mortgage rates to stay elevated as well.

- **I**n an interview with Bloomberg's Odd Lots podcast, he noted that a third of US outstanding debt is set to mature in under a year. To ensure that the Treasury can service this, it will need to attract a large swath of buyers. Gross noted that the Fed's quantitative tightening campaign worsens the supply-demand imbalance, given that it removes the central bank as a bond buyer. And a lack of demand means Treasury prices remain low, he warned. "I'm not saying get out. I'm just saying that assets have to go up or else the economy will not do well." US debt is ballooning, and leading market experts are raising red flags with more red ink on the way and a potential recession looming.

- **S**peaking at the Milken Institute Asia Summit in Singapore, Dalio explained that a swelling fiscal deficit is forcing the Treasury Department to keep issuing bonds. But the surge in supply of fresh US debt isn't the only issue. If investors aren't receiving a high enough real interest rate, they will sell their bonds, he warned. "The supply-demand [imbalance] isn't just the amount of new bonds. It's the issue of 'do you choose to sell the bonds?' I personally believe that the bonds longer term are not a good investment," Dalio said during Thursday's event. Though interest rate gains would help drive demand for bonds, they make debt servicing more costly.

Loading Report

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

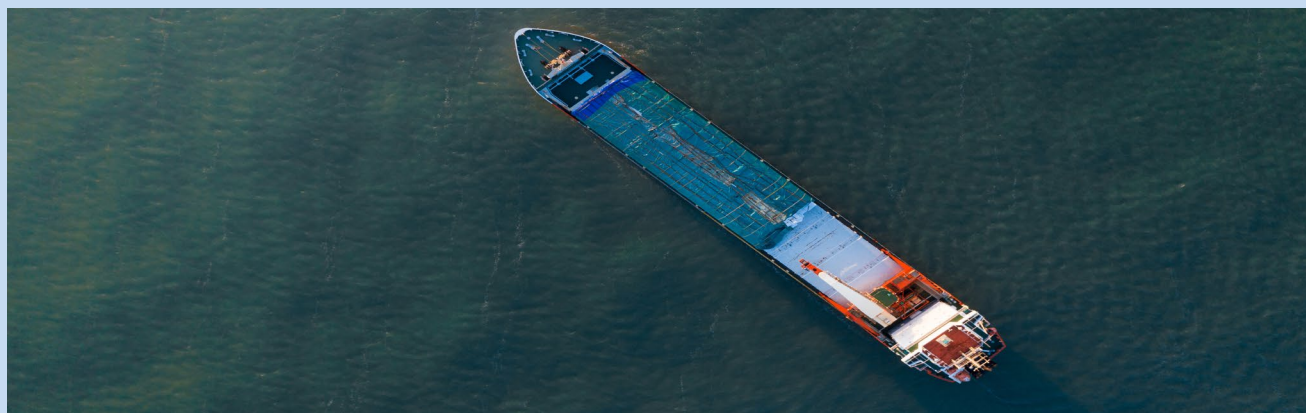
Sep 09 - Sep 13

Jetty No.	PG1	PG2	PG3	PG4	PG6	PG9	PG10	Total Amount	
Vessel Name									
MT A	1,500							1,500	
MT G A	8,500							8,500	
MT B M		2,500						2,500	
MT A			2,700					2,700	
MT B H			3,800					3,800	
MT D			2,700					2,700	
MT G R			4,000					4,000	
MT G B				9,000				9,000	
MT I				5,600				5,600	
MT B O				2,300				2,300	
MT B M				10,000				10,000	
MT R O				3,100				3,100	
MT CH					5,400			5,400	
MT D 1						1,000		1,000	
MT P						4,500		4,500	
MT G Q 1						5,000		5,000	
MT N O						2,600		2,600	
MT S							1,000	1,000	
MT M							4,000	4,000	
Total Amount	79,200	10,000	2,500	13,200	30,000	5,400	13,100	5,000	79,200

Sep 09 - Sep 13 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	UMM QASR ANCH., IRAQ	PERSIAN GULF
2	MT G E	KHOR AL ZUBAIR, IRAQ	FUJAIRAH ANCH., UAE	OMAN GULF
3	MT A	HAMRIYA, UAE	UMM QASR ANCH., IRAQ	PERSIAN GULF
4	MT N O	MINA SAQR, UAE	MINA SAQR ANCH., UAE	PERSIAN GULF
5	MT G R	UMM QASR ANCH., IRAQ	DIBA	OMAN GULF
6	MT SH	KHOR AL FAKKAN, UAE	KARWAR, INDIA	WEST COAST INDIA
7	MT AP	KHOR AL FAKKAN ANCH., UAE	KHOR AL FAKKAN ANCH., UAE	OMAN GULF
8	MT S	KHOR AL ZUBAIR, IRAQ	HAMRIYA, UAE	PERSIAN GULF
9	MT C 7	MINA SAQR, UAE	MINA SAQR ANCH., UAE	PERSIAN GULF



Mercantile Exchange

VB Transactions

Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	Sep 09 - Sep 13	Sep 02 - Sep 05	Sep 09 - Sep 13	Sep 02 - Sep 05	Change	Sep 09 - Sep 13	Monthly Average	Sep 09 - Sep 13	Sep 09 - Sep 13	Sep 02 - Sep 05	Last Month
Tabriz Refinery	134,000	96,500	145,913	136,634	6.8%	8,000	13,600	23,200	8,000	15,000	68,000
Tehran Refinery	134,000	96,500	138,243	138,645	%0.3-	20,000	9,400	29,050	20,000	15,000	52,000
Shiraz Refinery	140,700	0	140,780	0	-	10,000	5,400	15,350	10,000	0	27,000
Esfahan Refinery	134,000	96,500	134,443	140,367	-4.2%	70,000	68,000	84,350	70,000	0	340,000
Abadan Refinery	134,000	0	134,000	0	-	15,000	8,000	12,000	6,000	0	36,000
Bandar Abbas Refinery	140,700	101,300	146,265	140,410	4.2%	50,000	40,000	64,500	50,000	50,000	200,000
Arak Refinery	134,000	96,500	139,085	144,128	-3.5%	15,000	18,000	22,500	15,000	15,000	90,000
Total						188,000	162,400	280,000	179,000	110,000	813,000

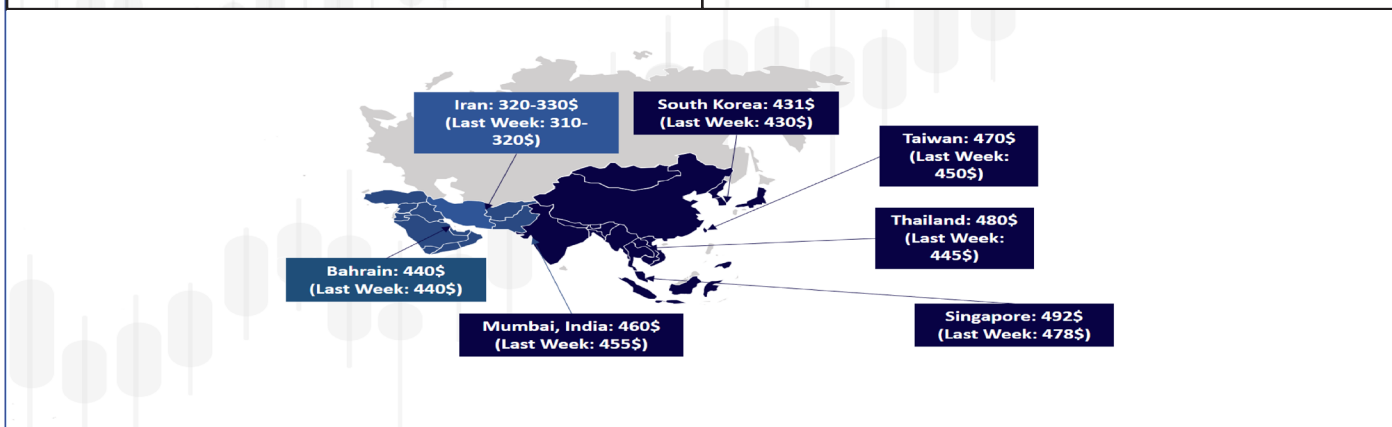
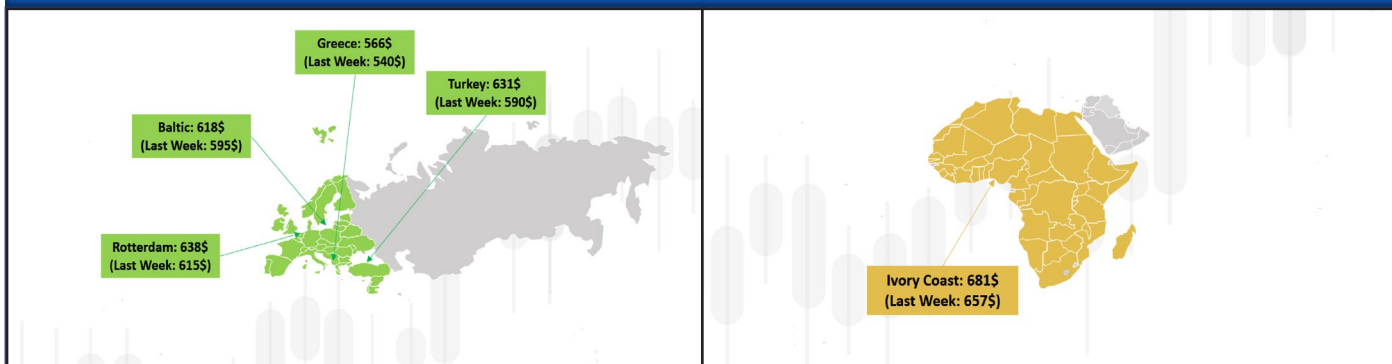
Export Bitumen Transactions

Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	Sep 09 - Sep 13	Sep 02 - Sep 05	Sep 02 - Sep 05	Sep 02 - Sep 05	Change	Sep 09 - Sep 13	Monthly Average	Sep 09 - Sep 13	Sep 09 - Sep 13	Sep 02 - Sep 05	Volume Change
Jey Oil - Esfahan - BEX	157,000	152,500	171,108	152,500	12.2%	7,000	6,200	11,000	7,000	2,500	26,000
Jey Oil - Esfahan - BEX	156,000	153,000	156,000	0	-	6,000	5,600	6,000	6,000	0	19,000
Jey Oil - Esfahan - GEX	188,500	0	188,500	0	-	4,000	4,600	4,000	4,000	0	20,000
Jey Oil - Bandar Abbas - BEX	0	0	0	0	-	0	2,400	0	0	0	12,000
Pasargad Oil - Bandar Abbas - BEX	160,500	156,789	170,200	156,789	8.6%	6,000	10,400	11,900	6,000	6,900	26,400
Pasargad oil - Bandar Abbas - GEX	189,700	183,000	189,963	185,800	2.2%	4,000	5,400	3,400	2,400	2,000	12,800
Pasargad Oil Abadan	146,649	146,200	146,649	146,200	0.3%	14,000	10,900	7,650	7,650	6,600	14,250
Pasargad Oil Tabriz	162,000	0	162,000	0	-	2,000	1,400	2,000	2,000	0	7,000
Pasargad Oil Tehran BEX	0	0	0	0	-	0	2,400	0	0	0	100
Pasargad Oil Arak Bex	158,000	145,024	158,000	145,823	8.4%	4,000	1,800	3,100	100	1,200	2,450
Pars Behin Qeshm Oil	138,045	144,904	138,045	144,904	-4.7%	10,000	13,000	15,000	10,000	35,000	65,000
Total						57,000	64,100	64,050	45,150	54,200	205,000

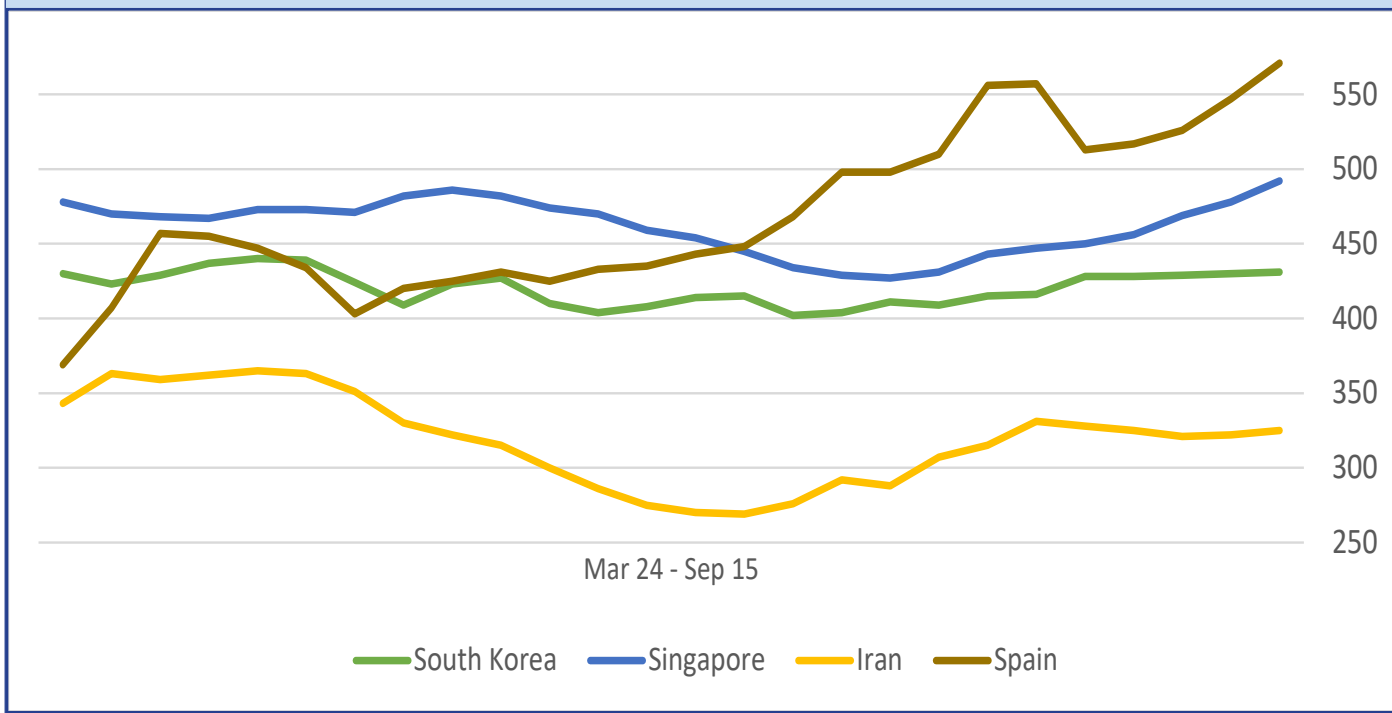
Bitumen & Jumbo Bag Prices

Product	Weekly Range - Sep 09 to Sep 13	Product	Weekly Range - Sep 09 to Sep 13
Drum FOB Private	395-405	Bulk FOB Private	320-330
Drum FOB Embossed	410-420	Bulk FOB Governmental	320-330
Jumbo Bag Private	385-395	Jumbo Bag Governmental	-
Bulk Ex-Work Isfahan	365	Bulk Ex-Work Tabriz	365

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	340	Dar es Salam	1100	Surabaya	585	20
	Kandla	390	Djibouti	1250	Belawan	600	
	Mundra	340	Berbera	1550	Semarang	800	
	Haldia	1200	Sudan	1550	Jakarta	850	
	Chittagong	1150	Ningbo	250	Singapore	850	
	Colombo	1050	Shanghai	250	Ho Chi Minh	600	
	Port Klang	300	Qingdao	250	Haiphong	650	
	Jebel Ali	70	Tianjin	350	-	-	
Mombasa	1100	Aden	1550	-	-		

Oil Analysis

Daily Timeframe



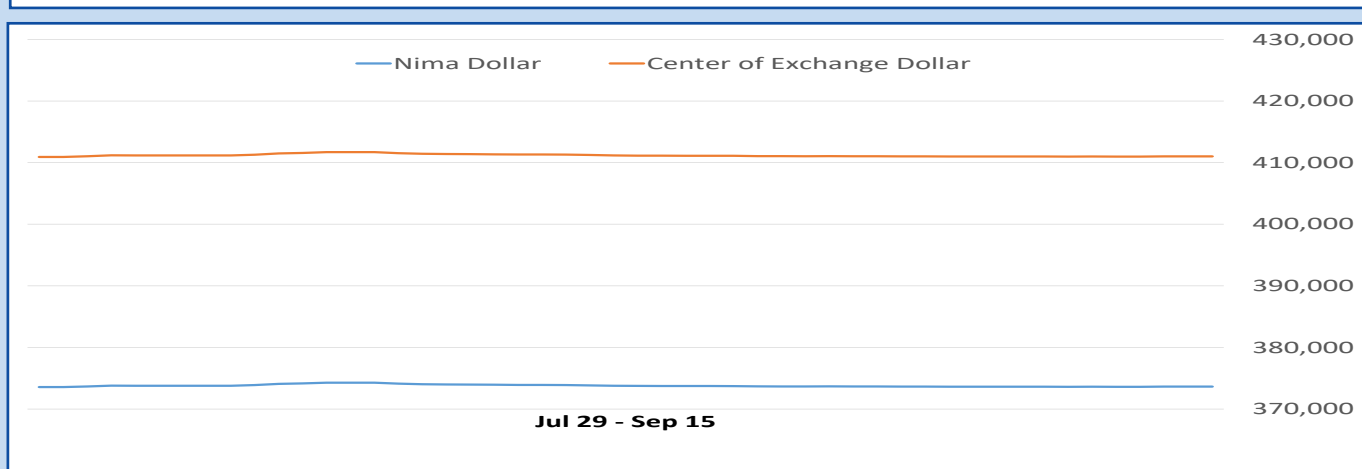
Technical Analysis

In the past week, the upward trend in Brent crude oil prices continued, just as expected. Based on the fundamental factors influencing the market, it appears that this upward movement will likely stall around the \$102 mark. Breaking through this level will require additional significant news developments. The price of \$102 is a crucial resistance level where both the long-term upward and downward price channels converge. In the short term, during this week, the price faced resistance at the 0.786% Fibonacci level and the midline of the upward channel, causing it to pause. It is likely that in the upcoming week, after nearing the lower boundary of the channel (around \$91 for Brent), conditions may once again favor an upward trend.

Fundamental Analysis

Crude oil prices saw a rise of about 4% this week, largely as a result of multiple factors influencing the market. OPEC, the US government, and the International Energy Agency (IEA) all indicated potential supply shortfalls in the oil market for the fourth quarter. This followed Saudi Arabia and Russia's decision to extend their production cuts, which maintained the upward momentum in oil prices. OPEC's monthly report warned that the global oil market could face a daily supply deficit of approximately 3.3 million barrels in the fourth quarter compared to demand. Such a deficit could signal a significant crisis, something not seen in the past decade. The IEA also forecasted a daily deficit of roughly 1.2 million barrels in the latter part of this year. On the other hand, discussions surrounding the maintenance of interest rates during the September 20 Federal Reserve meeting did not significantly impact oil prices. This was because the likelihood of an interest rate increase, which could potentially trigger economic recessions in major economies, appeared to diminish. Furthermore, China's expansionary measures provided a positive outlook for its economy, the largest importer of crude oil globally. Weekly data from Vortexa indicated a 5.8% decrease in global crude oil volumes held in tankers for at least a week, resulting in a total of 81.02 million barrels. The Energy Information Administration (EIA) report on Thursday highlighted that US crude oil inventories are 2.9% lower than the five-year seasonal average, contributing positively to price growth. US crude oil production continued its ascent, with a 0.8% increase in the week ending September 8, reaching 12.9 million barrels per day. This is not far from its previous record of 13.1 million barrels per day. Additionally, the number of active US oil rigs increased by more than 21 units, totaling 515 rigs in the week ending September 15. This signifies the US's commitment to expanding production.

Exchange Rate - USD/IRR



Description	Date	9/15/2023	9/14/2023	9/13/2023	9/12/2023	9/11/2023	9/10/2023
Iran Center of Exchange Dollar Remittance	Change	373,653	373,653	373,653	373,608	373,619	373,631
	Weekly Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Iran Center of Exchange Dollar	Change	411,018	411,018	411,018	410,970	410,981	410,994
	Weekly Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Market Dollar	Change	497,500	497,500	499,400	497,300	496,000	496,700
	Weekly Change	0.3%	0.3%	0.8%	0.2%	0.0%	0.0%

US Dollar Exchange Rate



USD/CNY



USD/INR



USD/EUR



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 BITUMEN PETRO
 www.bitumenpetro.com
 bitumen_petro
 +98-9981200209