

WEEKLY REVIEW OF BITUMEN MARKET IN IRAN & THE WORLD



Bitumen Petro Co.

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Highlights

- JPMorgan's head of EMEA energy equity research, Christyan Malek, issued a cautionary note to the markets on Friday, suggesting that the recent surge in Brent crude oil prices could potentially continue to rise and reach as high as \$150 per barrel by the year 2026.
- Russia's economy ministry has revised its forecast for natural gas exports for the years 2024 to 2026, indicating a downward adjustment in its previous estimates.
- China's special climate envoy, Xie Zhenhua, has emphasized that the complete phase-out of fossil fuels is an unrealistic goal. He argued that oil, natural gas, and coal will remain critical components of the global energy supply and are essential for ensuring energy security. This perspective aligns with the challenges associated with transitioning away from fossil fuels while addressing growing energy demands and maintaining energy reliability.
- Morgan Stanley has noted that the price for Brent crude oil has risen, and they believe that all signals in the crude oil market are indicating tightness. This suggests that current prices are being supported, reflecting factors such as supply constraints or increased demand. It's important to keep in mind that various factors, including geopolitical events, production levels, and global economic conditions, can influence oil prices.
- Iraq's Prime Minister Mohammed Shiaa al-Sudani is holding meetings in New York with representatives from numerous U.S. energy companies. The purpose of these meetings is to present opportunities for potential investments in Iraq's natural gas sector. Natural gas has become increasingly important in Iraq's energy landscape, and the government is seeking foreign investments to help develop and expand this sector. These meetings aim to foster partnerships and attract investment to further develop Iraq's natural gas resources.
- Russian oil major Lukoil and independent producer CenGeo have made a historic move by sending CPC blend, a type of crude oil, to the United Arab Emirates' national oil company, ADNOC. This marks the first time that the UAE has imported this particular crude blend from Russia. The transaction highlights the evolving dynamics in the global oil market and the UAE's willingness to diversify its crude oil sources. It also reflects the ongoing shifts in global crude oil trade patterns.
- Benchmark natural gas prices in Europe and the UK experienced a drop on Friday following the resolution of a labor dispute between Chevron and trade unions. The settlement led to the unions canceling the strikes at two major LNG export facilities in Australia. This development contributed to a decrease in natural gas prices, as concerns about potential supply disruptions eased with the end of the strikes.
- Nigeria has successfully secured significant investment commitments totaling \$13 billion in its oil and gas sector. These commitments come from major international energy companies, including ExxonMobil, Shell, and TotalEnergies. The investments signify a substantial inflow of capital into Nigeria's oil and gas industry, potentially driving growth and development in the sector.

Iran Bitumen News

- During the past week at the Iran Mercantile Exchange (IME), there was a notable surge in the supply of vacuum bottoms (VB), totaling 190,000 metric tons. This represented a robust 7.56% increase compared to the preceding week. The prior week also witnessed an uptick in supply, rising by 2,000 metric tons. Importantly, the entire supply was successfully traded, and throughout the week, VB prices experienced a modest fluctuation rate ranging from -1.2% to 1.3%. The increased supply was primarily attributed to heightened production from refineries in Tabriz and Isfahan. Furthermore, during this period, Tehran and Bandar Abbas VBs exhibited the most substantial price increases, registering a rise of 1.3%. The ratio between VB's closing price and IME's export bitumen reached 86%. VB's average valuation in the Free Market, denominated in USD, was appraised at \$277. Additionally, the value of VB in the Center of Exchange Dollar achieved a level of \$331.
- Supplies within the Export Market of the Iran Mercantile Exchange (IME) reached approximately 134,000 metric tons, indicating a substantial surplus of 67,900 metric tons compared to the previous month's average. This remarkable increase in supply can be attributed to a significant uptick in offers from Jey Oil, Bandar Abbas, Arak Pasargad Oil, and Pars Behin Qeshm Oil. The substantial supply was met with robust demand, as 152,780 metric tons were registered, surpassing the available supplies. Taking into account the prevailing free-market exchange rate between USD and IRR, the negotiated equivalent rates for Isfahan Jey Oil Bulk Bitumen ranged between \$307 and \$317. The prices for Bandar Abbas Pasargad Oil Bulk and Drum Bitumen were recorded at \$340 and \$392, respectively. Additionally, Arak and Tabriz Pasargad Oil Bitumen were priced at \$311 and \$339, respectively. Pars Behin Qeshm Oil's bitumen was quoted at \$321 per metric ton.
- The Chairman of the Parliament's Construction Commission and the Chairman of the Expediency Council convened a meeting to discuss the incorporation of parliamentary representatives' views into the proposed bitumen hedging law. During this meeting, they aimed to highlight the positive impacts of the bitumen hedging proposal and clarify any uncertainties or questions surrounding it.
- The executive head of the Tehran City Engineering and Construction Organization has announced the distribution of nearly 900,000 tons of asphalt on both major and minor roads in the capital city. This significant allocation addresses the city's ongoing need for asphalt, which exceeds 1.5 million tons annually. Notably, previous years saw asphalt production ranging between 300,000 to 500,000 tons, underscoring the substantial efforts to meet Tehran's infrastructure demands.
- The Iranian Customs Administration has issued a circular (notification number 84/1402/853451, dated September 17) that enforces a ban on the transportation and export of petroleum products utilizing flexi-tanks. This prohibition came into effect on May 30, 2023. As a result, the use of flexi-tanks for the conveyance and export of petroleum products is no longer authorized, and export declarations will not be accepted starting from this date.



Analysts Comments



Veteran economist David Rosenberg has warned for years that the US economy is on thin ice. Late last summer it appeared as if his oft-repeated bearish prediction had finally come true. But surprisingly, GDP growth has accelerated again after contracting in back-to-back quarters, leading top investment firms like Bank of America to admit defeat about their recession calls. "I don't believe in fairy tales, and I don't believe in new eras," Rosenberg said in a recent interview with Insider. The bull case for the US economy is simple: Unemployment remains near multi-decade lows, thanks to robust consumer spending. And while elevated interest rates are a headache, they've put a dent into once-rampant inflation without crushing economic growth as some had feared. Rosenberg listed 10 reasons why a best-case scenario isn't necessarily the most realistic one similar consumers have been on "training wheels," in Rosenberg's words, thanks to a massive wave of fiscal stimulus during the pandemic that's now drying up. The resumption of student loan payments this fall will also cut into spending, Rosenberg predicted and Non-mortgage household credit quality is weakening.

- **"So clearly not sustainable,"** Maya MacGuineas, president of the Committee for a Responsible Federal Budget, told Insider. "The way one evaluates that is: if your debt is growing faster than your economy, which ours is, and if your interest payments are going faster than — take any indication, whether it's your economy, income, a variety of things — those are all huge warning signs. All of them are going off right now." In fact, CBO estimates that US debt as a share of GDP will set a new record this decade, climbing from about 100% now to 107% in 2029 and topping the 1946 peak of 106%. And it's on track to hit 181% by 2053.
- **H**ome prices could jump as much as 5% over the next year, thanks to higher mortgage rates prolonging the deep freeze of the US housing market, according to Zillow economists. The real estate listings site revised its 12-month outlook for home prices, predicting a 4.9% increase by August 2024. That's slightly down from its 12-month home price outlook in July, when the firm predicted a 6.5% increase in home prices by July of next year. Experts have warned housing affordability is unlikely to improve until mortgage rates dial back more significantly. That could unlock more inventory to hit the housing market, but it's unlikely to happen anytime soon, with experts forecasting mortgage rates to end the year around 6%.
- **L**egendary investor Jeremy Grantham warned that home prices are doomed to fall amid high mortgage rates. "Real estate is a global bubble. It has driven house prices provably to multiples of family income all over the world: Beijing, Shanghai, Sydney, Adelaide, Canada, London. It used to be multiples of three and a half times family income. London is now 10 times. Toronto is worse. No one can afford to buy a house. No young kids come out to buy a house. This is not a stable equilibrium," Grantham said.

Loading Report

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

Sep 17 - Sep 21

Jetty No.	PG1	PG3	PG4	PG5	PG6	PG7	PG9	PG10	Total Amount	
Vessel Name										
MT I	10,000								10,000	
MT AL M	7,500								7,500	
MT S		1,000							1,000	
MT L		4,700							4,700	
MT A		4,500							4,500	
MT K		3,500							3,500	
MT G Q 1		4,500							4,500	
MT S X			5,500						5,500	
MT B M			10,000						10,000	
MT A 2				4,500					4,500	
MT A 1				4,600					4,600	
MT G P					10,000				10,000	
MT S					4,000				4,000	
MT Z					2,000				2,000	
MT D						5,000			5,000	
MT C							6,800		6,800	
MT S							4,500		4,500	
MT B S							3,500		3,500	
MT A M								1,200	1,200	
MT A								3,000	3,000	
MT D 1								1,000	1,000	
Total Amount	101,300	17,500	18,200	15,500	9,100	16,000	5,000	14,800	5,200	101,300

Sep 17 - Sep 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 A	FUJAIRAH, UAE	SHARJAH ANCH., UAE	PERSIAN GULF
2	MT G A	FUJAIRAH, UAE	SHARJAH ANCH., UAE	PERSIAN GULF
3	MT B M	DUBAI, UAE	HAMRIYA, UAE	PERSIAN GULF
4	MT A	HAMRIYA, UAE	HAMRIYA, UAE	PERSIAN GULF
5	MT B H	SHARJAH, UAE	BASRAH, IRAQ	DUBAI AREA
6	MT G R	UMM QASR ANCH., IRAQ	DIBA	OMAN GULF
7	MT G B	FUJAIRAH, UAE	KHOR AL ZUBAIR, IRAQ	PERSIAN GULF
8	MT G Q	KHOR AL FAKKAN ANCH., UAE	KHOR AL FAKKAN, UAE	OMAN GULF
9	MT S	MUSCAT, OMAN	KHOR AL FAKKAN, UAE	OMAN GULF



Mercantile Exchange VB Transactions

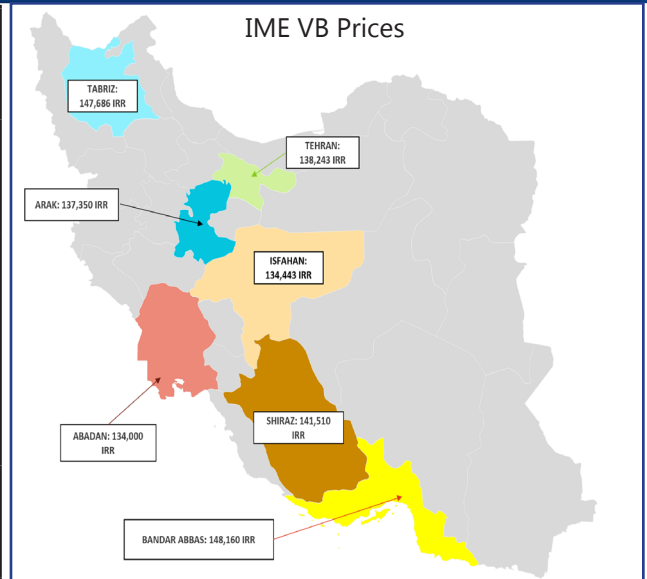
Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	Sep 17 - Sep 21	Sep 09 - Sep 13	Sep 17 - Sep 21	Sep 09 - Sep 13	Change	Sep 17 - Sep 21	Monthly Average	Sep 17 - Sep 21	Sep 17 - Sep 21	Sep 09 - Sep 13	Last Month
Tabriz Refinery	134,000	134,000	147,686	145,913	1.2%	10,000	13,600	22,400	10,000	8,000	63,000
Tehran Refinery	134,000	134,000	140,068	138,243	%1.3	15,000	10,400	26,250	15,000	20,000	60,000
Shiraz Refinery	140,700	140,700	141,510	140,780	0.5%	10,000	5,400	15,500	10,000	10,000	27,000
Esfahan Refinery	134,000	134,000	134,000	134,443	-0.3%	80,000	68,000	89,500	78,500	0	348,500
Abadan Refinery	134,000	134,000	134,000	134,000	0.0%	10,000	9,000	13,000	4,000	6,000	25,000
Bandar Abbas Refinery	140,700	140,700	148,160	146,265	1.3%	50,000	40,000	78,100	50,000	50,000	200,000
Arak Refinery	134,000	134,000	137,350	139,085	-1.2%	15,000	18,000	26,500	15,000	15,000	90,000
Total						190,000	164,400	297,500	182,500	129,000	813,500

Export Bitumen Transactions

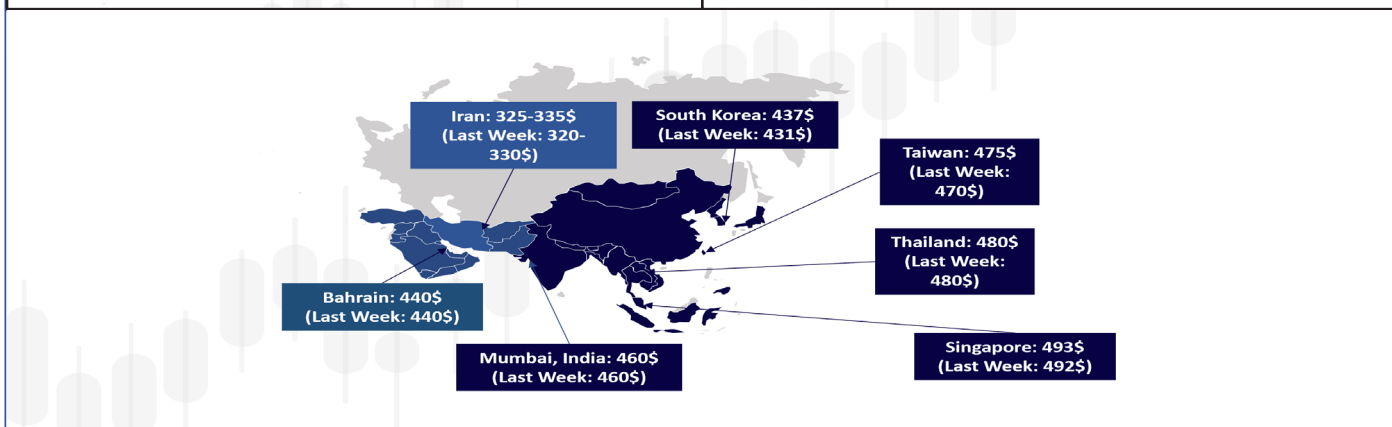
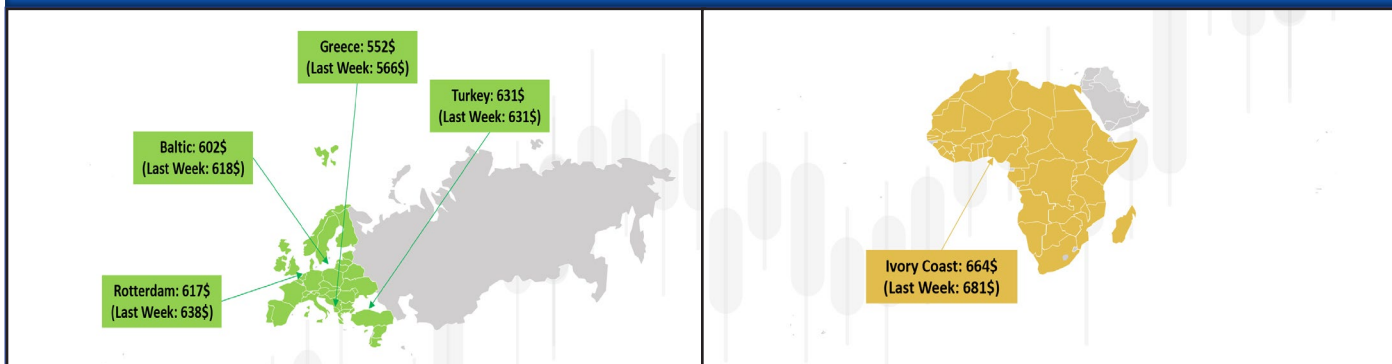
Supplier	Open		Close			Supply Volume		Demand	Transaction Volume (MT)		
	Sep 17 - Sep 21	Sep 09 - Sep 13	Sep 02 - Sep 05	Sep 02 - Sep 05	Change	Sep 09 - Sep 13	Monthly Average	Sep 09 - Sep 13	Sep 09 - Sep 13	Sep 02 - Sep 05	Volume Change
Jey Oil - Esfahan - BEX	151,000	157,000	151,000	171,108	-11.8%	5,000	6,600	4,000	4,000	7,000	28,000
Jey Oil - Esfahan - BEX	156,000	156,000	156,000	156,000	%0.0	10,000	5,600	10,000	10,000	6,000	22,000
Jey Oil - Esfahan - BEX	151,000	0	151,019	0	-	7,000	0	8,080	7,000	0	7,000
Jey Oil - Esfahan - BEX	151,000	0	151,000	0	-	5,000	0	4,000	4,000	0	4,000
Jey Oil - Esfahan - GEX	185,500	188,500	0	188,500	-	2,000	4,000	0	0	4,000	4,000
Jey Oil - Bandar Abbas - BEX	180,000	0	180,000	0	-	7,000	2,400	8,000	7,000	0	19,000
Pasargad Oil - Bandar Abbas - BEX	167,500	160,500	167,500	170,200	-1.6%	22,000	9,600	14,500	14,500	6,000	39,900
Pasargad oil - Bandar Abbas - GEX	193,000	189,700	193,000	189,963	1.6%	4,000	5,200	2,000	2,000	2,400	12,400
Pasargad Oil Abadan	150,000	146,649	0	146,649	-	10,000	11,700	0	0	7,650	14,250
Pasargad Oil Tabriz	167,000	162,000	167,000	162,000	3.1%	2,000	1,600	2,000	2,000	2,000	8,000
Pasargad Oil Tehran BEX	0	0	0	0	-	0	2,000	0	0	0	0
Pasargad Oil Arak Bex	153,000	158,000	153,000	158,000	-3.2%	15,000	2,400	10,200	7,200	100	9,500
Pars Behin Qeshm Oil	147,143	138,045	158,000	138,045	14.5%	45,000	15,000	90,000	45,000	10,000	100,000
Total						134,000	66,100	152,780	102,700	45,150	268,050

Bitumen & Jumbo Bag Prices

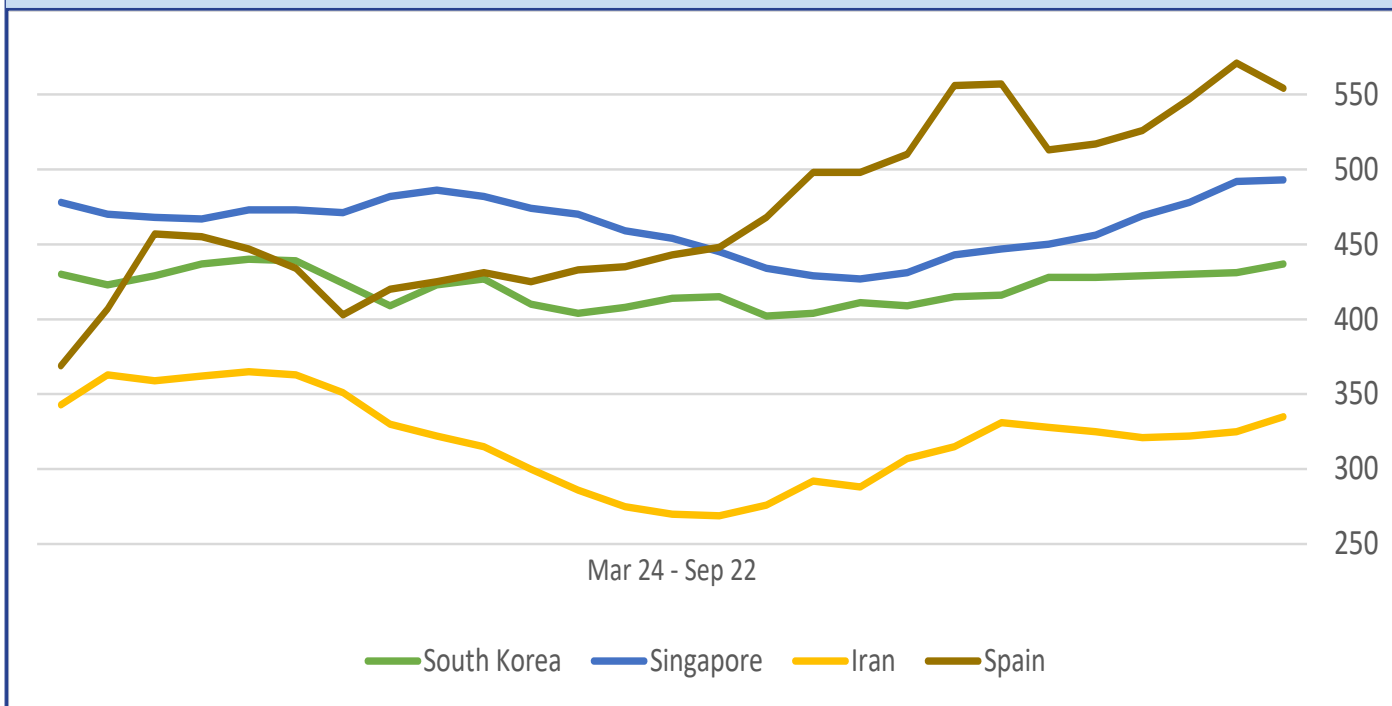
Product	Sep 17 to Sep 21	Product	Sep 17 to Sep 21
Drum FOB Private	405-415	Bulk FOB Private	325-335
Drum FOB Embossed	410-425	Bulk FOB Governmental	325-335
Jumbo Bag Private	390-400	Jumbo Bag Governmental	-
Bulk Ex-Work Isfahan	365	Bulk Ex-Work Tabriz	365



Global Bitumen Prices



Prices Chart



Freight Rate



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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



2-hour Timeframe



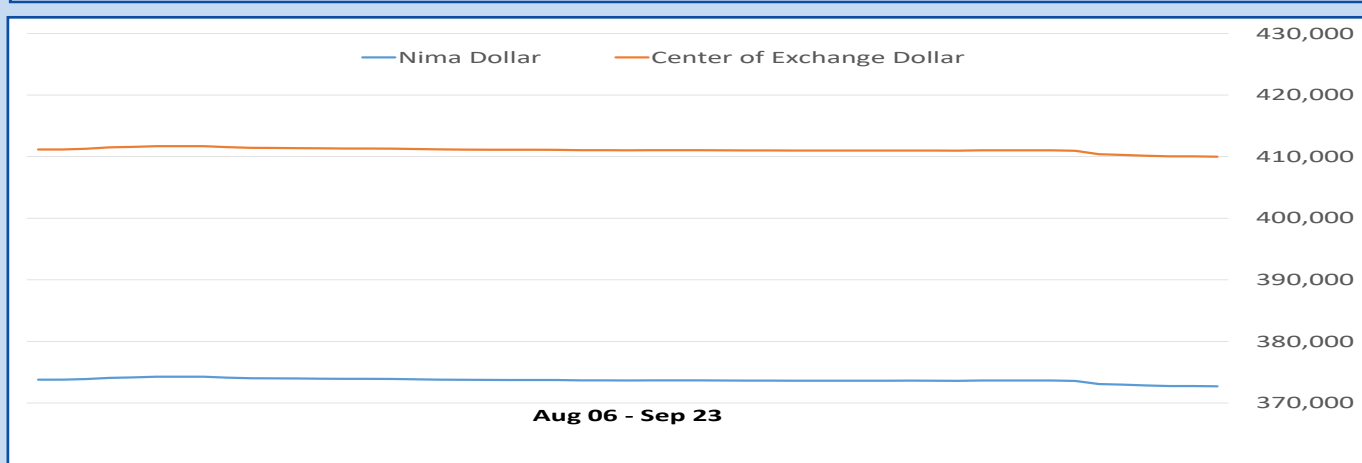
Technical Analysis

In the analysis of Brent crude oil prices, we observe a consistent upward trend in both the long-term and short-term charts. In the long-term view, the prices appear to follow an ascending channel, ideally staying above \$90. This same trend is reflected in the short-term chart, where we anticipate an upward bounce if prices dip and reach this support level in the upcoming week. Moreover, both charts indicate a formidable barrier around the \$100 price point. Based on recent price movements, it's plausible that this level could be attained in the near future. It's crucial to bear in mind that these projected support and resistance levels are contingent on the existing geopolitical and global economic circumstances. Any unexpected developments related to geopolitical events or major economic shifts could potentially lead to breakthroughs in these support and resistance thresholds.

Fundamental Analysis

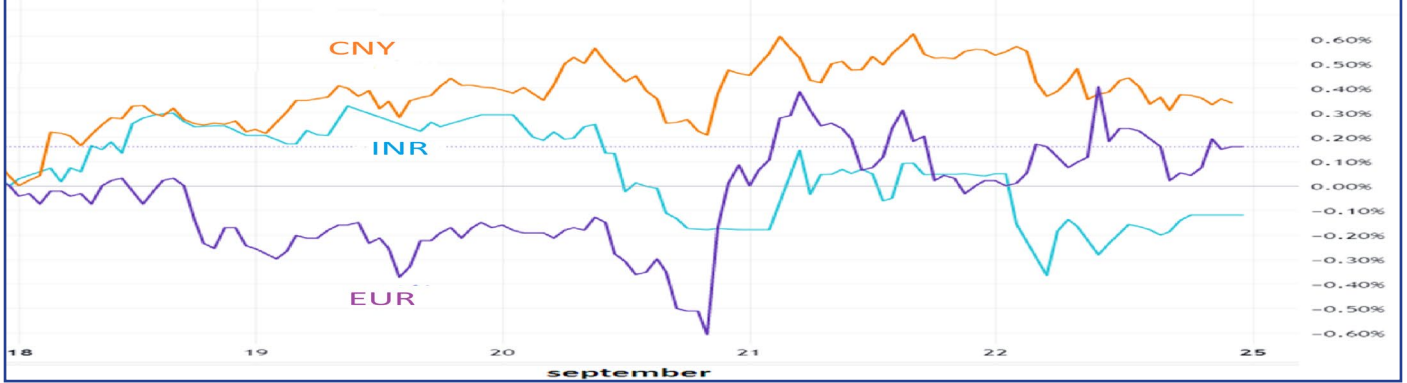
Brent crude oil prices experienced a marginal 0.5% decrease in the past week. The week began with some negative pressure on prices due to Saudi Aramco's adjusted long-term oil demand forecast, which deviates significantly from its previous estimate made in 2010. However, short-term factors provided support earlier in the week, briefly pushing prices above the \$96 per barrel mark. Saudi Aramco now predicts that global oil demand may reach 110 million barrels per day by 2030, a notable revision from its earlier projection of 125 million barrels per day a decade ago. As the week progressed, concerns arose about a potential energy market crisis. This was prompted by greater clarity on the Federal Reserve's future monetary policy stance, including the possibility of further interest rate hikes by the end of the year. Nevertheless, the decline in oil prices was countered by Russia's announcement that it would halt gasoline and diesel exports to stabilize domestic fuel prices. Russia's decision is expected to result in a 3% reduction in diesel supply. Additionally, Saudi Aramco foresees an extraordinary daily consumption of 103 to 104 million barrels in the latter part of 2023 due to constrained supply. The reduction in crude oil volumes held in floating storage, coupled with limited supply, is anticipated to significantly impact oil prices in the latter part of the year. Weekly data from Vortexa reveals an 8.9% decline in global crude oil quantities aboard vessels, which had been present for at least one week, by September 15th, amounting to 83.89 million barrels. Concurrently, U.S. crude oil production for the week ending September 15th remained stable at 12.9 million barrels, marking its highest level in 3.5 years. Taking these factors into account, oil prices are likely to rise unless Aramco's demand projection fails to materialize. This scenario is expected to persist unless a significant economic downturn indicator emerges in developed countries, severely affecting the energy market.

Exchange Rate - USD/IRR



Description	Date	9/23/2023	9/22/2023	9/21/2023	9/20/2023	9/19/2023	9/18/2023
Iran Center of Exchange Dollar Remittance	Change	372,711	372,760	372,858	372,986	373,086	373,584
	Weekly Change	-0.3%	-0.2%	-0.2%	-0.2%	-0.1%	0.0%
Iran Center of Exchange Dollar	Change	409,983	410,037	410,143	410,285	410,394	410,942
	Weekly Change	-0.3%	-0.2%	-0.2%	-0.2%	-0.1%	0.0%
Free Market Dollar	Change	494,200	494,000	491,200	496,000	495,400	496,300
	Weekly Change	-0.7%	-0.7%	-1.6%	-0.3%	-0.1%	-0.1%

US Dollar Exchange Rate



USD/CNY



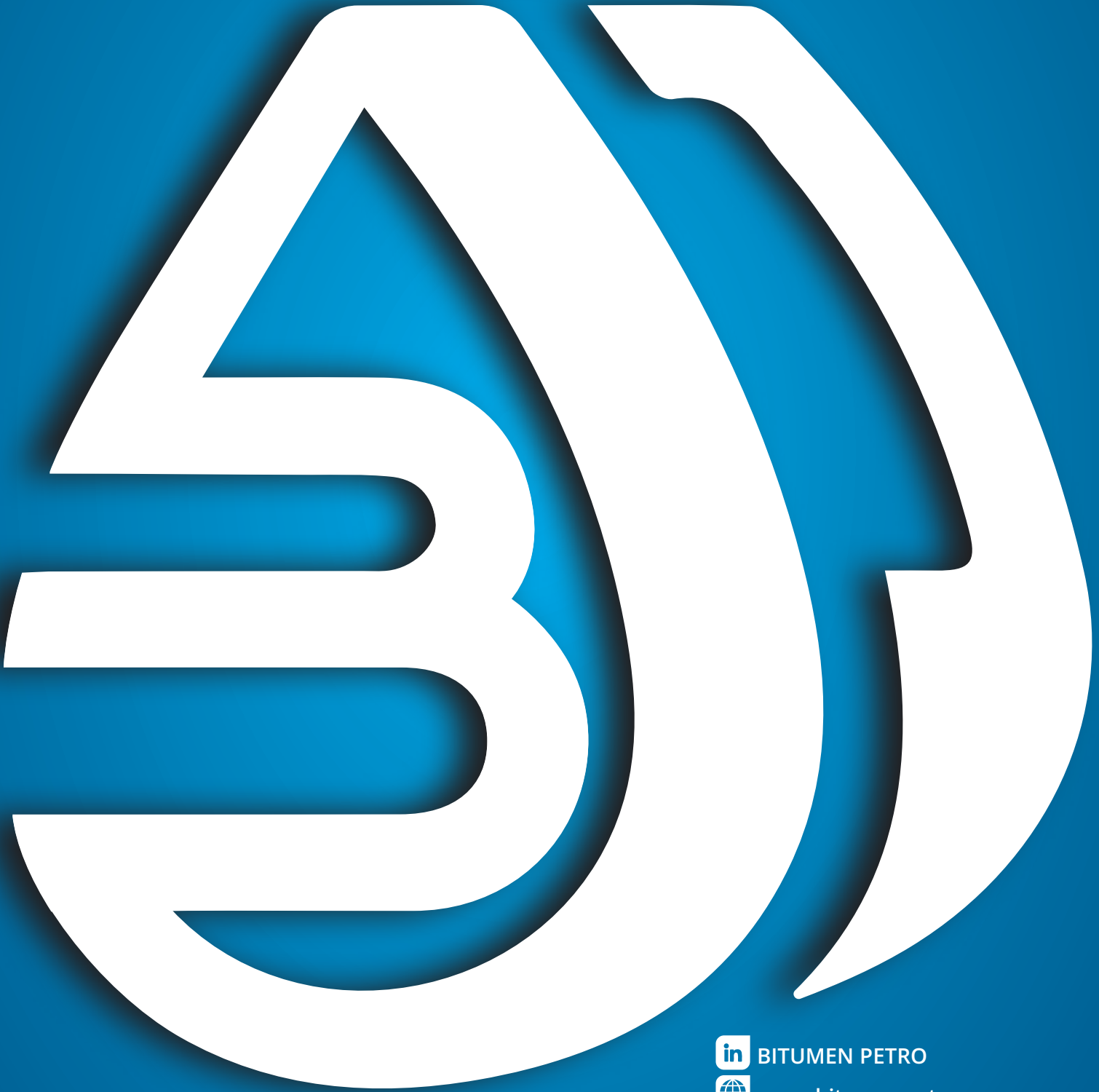
USD/INR



USD/EUR



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