

WEEKLY REVIEW OF BITUMEN MARKET IN IRAN & THE WORLD



Bitumen Petro Co.

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Highlights

- Crude prices decline on May 01, with expectations of another rate hike by the Federal Reserve combined with weak economic data from China. Brent crude was fell 1.8% to 79.15\$ per barrel and WTI crude lost 2.1% to trade at 75.20\$ per barrel.
- U.S. crude exports have surpassed expectations for April, registering a record 4.5 million barrels per day in March with rising fuel demand in China. Crude exports soared 22% in prior year from 2021 after Russia's invasion of Ukraine.
- ADNOC Gas Plc has reached an agreement with TotalEnergies in order to supply LNG worth 1 billion dollar. The deal is one of the latest Europe attempts to fill its gas stores ahead of the next winter.
- Despite Russia's plan in order to reduce its crude production, the country's seaborne oil exports touched 4 million barrels per day. It is only the second time a level that high has been reached since the war with Ukraine.
- Russia's oil and gas earnings have declined from recent lows and the country is preparing to continue purchases of foreign currency in current month.
- India and China, the biggest developing economies, are looking for an opportunity that would leave countries to make a decision about "multiple energy pathways" instead of setting a fixed deadline for phasing out the use of fossil fuels.
- On May 03, Iraq's Oil Minister mentioned that, "Iraq and Turkey have not reached an agreement yet on the resumption of crude oil exports out of the semi-autonomous Iraqi region of Kurdistan from the Turkish port of Ceyhan."

Iran Bitumen News

- Last week 78,000 MT VB were supplied in IME, by 24% decrease 144,000 MT demand were registered. In prior week, the supply rate was declined by 32,000 MT clearly the whole amount was sold and statistically fluctuation trend was from -4.6% to -3.4%. Due to halted outputs from Tabriz and Bandar Abbas refineries, the amount of offers have decreased and Arak VB with 4.6% price reduction declined the most. Furthermore, VB close price and IME's export bitumen ratio reached 85%, also VB's average value in USD assessed at 311\$. (Minus taxes and other fees)
- Supplies in IME's export market were around 72,000 MT, although it was 24,800 MT more than the monthly average of prior month and totally, it demonstrates soaring in outputs. Offers from all refineries was the main reason. For this amount of outputs, 107,840 MT demand were registered and all offers were traded. Considering the free market USD to IRR exchange rate, at published date, the bargained equivalent rate for Isfahan Jey Oil Bulk Bitumen was 316\$, Bandar Abbas Jey Oil Bulk Bitumen was 332\$ and Abadan Pasargad Oil Bulk Bitumen was 332\$. In addition, Pars Behin Qeshm Oil outputs were 299\$.
- Several ways of supplying cost-free bitumen for country's construction projects have discussed in Construction Commission of the Islamic Council. Vice Chairman of the Commission mentioned that, "According to The Supreme Supervisory Board of the Expediency Discernment Council's reformation, it was decided that earnings by selling VB should deposit to treasury and 200,000 billion IRR will be distribute among parts of the system. After that, they will attempt to produce bitumen, which leads to soaring prices in IME. As a result, in order to reform this subject, it was decided that a meeting with board of supervisors should hold, and council's enactment be implemented in the budget act."
- Monthly statement report of Pasargad Oil Company demonstrated that, the amount of firm's sales in domestic and export market was 42,296 MT and 55,682 MT respectively, which is an indication of considerable rise in comparison to prior year.
- According to the Central Bank's General Relations "Dr. Mohammadreza Farzin mentioned that In order to manage unofficial foreign currency market in a more efficient way, from now on purchase currency in free market before allocation is forbidden and without my permission no allocation is allowed."

Analysts Comments



The political standoff in Washington over raising the country's \$31 trillion debt ceiling drove the cost of insuring against a potential default to new heights on Thursday. A Republican proposal to lift the debt ceiling would slow the economy and increase the likelihood of a recession, Moody's Analytics chief economist Mark Zandi said. Speaking to the Senate Budget Committee on Thursday, Zandi warned that the proposed reductions could reduce employment by the end of 2024 by about 800,000 jobs and lift the jobless rate closer to 5% from 3.5% now. Also by 2024, economic growth would slow to 1.61% under the Republican bill, compared to current forecasts of 2.23%, he said, adding that the GOP deal would "meaningfully increase" the likelihood of a recession. The US has never defaulted on its debt, but investors appear to be growing more nervous about that possibility with no deal yet emerging from lawmakers. Treasury Secretary Janet Yellen has warned the US could run out of money to pay its bills as soon as June 1, triggering an unprecedented economic crisis.

| Mark Haefele | Jeff Gundlach | Bill Dudley |
|---|--|--|
| UBS Global Wealth Management | DoubleLine Capital CEO | former New York Fed President |
| A team of strategists led by UBS global wealth management CIO Mark Haefele said Friday in a research note seen by Insider said "While a pause does not mean that the Fed is ready for a rate cut, we continue to believe that the greenback will weaken further against key counterparts over the next 6-12 months, and it remains to us a least preferred currency,". The dollar fell in six of the last seven months and has lost 12% since late September according to UBS. "With the rate hikes continuing to feed through to the economy, we expect US GDP growth to slow from here," Haefele's team said. | The Federal Reserve has likely raised interest rates for the final time in the current monetary-tightening cycle, according to billionaire bond investor Jeff Gundlach. "The Fed will not raise rates again," the DoubleLine Capital CEO said. Gundlach's assertion came after the central bank lifted borrowing costs for the 10th time in a row Wednesday at the conclusion of its May meeting. Gundlach had said the day before his Thursday night Tweet that the Fed needed to start slashing benchmark rates from their current 5% level to stop the bank runs. "Deposits are going to keep drifting out, I don't think that this is the last chapter in this regional banking problem. | Failure to lift the debt ceiling would devastate stocks and bonds, even if the US government prioritized payments to stave off an immediate default, Bill Dudley wrote in a Bloomberg column this week. "I have one message for those observing or involved in the standoff over raising the US federal debt limit: Be afraid, be very afraid," he said. "At this point in the financial and economic cycle, the consequences of failing to reach a deal would be particularly dire." Treasury Secretary Janet Yellen has said the government could run out of money and trigger an economic crisis as soon as June 1. |

Loading Report

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

Apr 29 - May 05

| Jetty No. | | | | | | | | | | | Total Amount |
|--------------|--------|-------|-------|-------|--------|-------|--------|-------|--------|-------|--------------|
| Vessel Name | PG1 | PG2 | PG3 | PG4 | PG5 | PG6 | PG7 | PG9 | PG10 | | |
| MT L | 4,700 | | | | | | | | | | 4,700 |
| MT T | | 5,000 | | | | | | | | | 5,000 |
| MT C | | | 6,800 | | | | | | | | 6,800 |
| MT S | | | | 1,000 | | | | | | | 1,000 |
| MT A S | | | | 9,000 | | | | | | | 9,000 |
| MT G E | | | | 6,200 | | | | | | | 6,200 |
| MT D | | | | | 5,000 | | | | | | 5,000 |
| MT G G | | | | | 4,800 | | | | | | 4,800 |
| MT S | | | | | | 4,000 | | | | | 4,000 |
| MT J V 1 | | | | | | 7,500 | | | | | 7,500 |
| MT H | | | | | | | 5,000 | | | | 5,000 |
| MT A | | | | | | | | 5,000 | | | 5,000 |
| MT M | | | | | | | | 8,300 | | | 8,300 |
| MT K | | | | | | | | 5,000 | | | 5,000 |
| MT A M | | | | | | | | | 1,500 | | 1,500 |
| MT M1 | | | | | | | | | 1,000 | | 1,000 |
| MT B M | | | | | | | | | 1,500 | | 1,500 |
| MT S | | | | | | | | | 2,000 | | 2,000 |
| Total Amount | 83,300 | 4,700 | 5,000 | 6,800 | 16,200 | 9,800 | 11,500 | 5,000 | 18,300 | 6,000 | 83,300 |

Apr 29 - May 05 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 S | FUJAIRAH, UAE | UMM QASR, IRAQ | PERSIAN GULF |
| 2 | MT P | FUJAIRAH, UAE | BASRAH, IRAQ | PERSIAN GULF |
| 3 | MT C 7 | MINA SAQR, UAE | KAZ, IRAQ | PERSIAN GULF |
| 4 | MT P | PIPAVAV, INDIA | PIPAVAV ANCH., INDIA | OMAN GULF |
| 5 | MT G P | UMM QASR ANCH., IRAQ | DIBBA, UAE | OMAN GULF |
| 6 | MT A 2 | RAJAEI, IRAN | BANDAR ABBAS ANCH., IRAN | PERSIAN GULF |
| 7 | MT A | BASRAH, IRAQ | BASRAH ANCH., IRAQ | PERSIAN GULF |
| 8 | MT B O | MUSCAT, OMAN | KHOR AL FAKKAN, UAE | OMAN GULF |
| 9 | MT A | KHOR AL FAKKAN ANCH., UAE | DUBAI ANCH., UAE | OMAN GULF |
| 10 | MT I | MANGALORE, INDIA | MUMBAI, INDIA | WEST COAST INDIA |
| 11 | MT A X | SHARJAH, UAE | HAMRIYA, UAE | PERSIAN GULF |
| 12 | MT A N | MUSCAT, OMAN | KHOR AL FAKKAN, UAE | OMAN GULF |

Mercantile Exchange

VB Transactions

| Supplier | Open | | Close | | | Supply Volume | | Demand | Transaction Volume (MT) | | |
|-----------------------|-----------------|-----------------|-----------------|-----------------|--------|-----------------|-----------------|-----------------|-------------------------|-----------------|------------|
| | Apr 29 - May 05 | Apr 24 - Apr 27 | Apr 29 - May 05 | Apr 24 - Apr 27 | Change | Apr 29 - May 05 | Monthly Average | Apr 29 - May 05 | Apr 29 - May 05 | Apr 24 - Apr 27 | Last Month |
| Tabriz Refinery | 0 | 81,700 | 0 | 151,343 | - | 0 | 1,600 | 0 | 0 | 3,000 | 8,000 |
| Tehran Refinery | 81,700 | 81,700 | 138,927 | 145,229 | -4.3% | 8,000 | 6,800 | 15,650 | 8,000 | 7,000 | 35,000 |
| Shiraz Refinery | 85,800 | 85,800 | 135,789 | 140,500 | -3.4% | 10,000 | 7,400 | 14,875 | 10,000 | 10,000 | 47,000 |
| Esfahan Refinery | 81,700 | 81,700 | 140,761 | 146,374 | -3.8% | 40,000 | 40,000 | 64,200 | 40,000 | 0 | 200,000 |
| Abadan Refinery | 81,700 | 0 | 140,140 | 0 | - | 10,000 | 6,000 | 19,000 | 10,000 | 0 | 30,000 |
| Bandar Abbas Refinery | 0 | 85,800 | 0 | 155,540 | - | 0 | 38,000 | 0 | 0 | 40,000 | 160,000 |
| Arak Refinery | 81,700 | 81,700 | 139,330 | 146,085 | -4.6% | 10,000 | 9,000 | 30,300 | 10,000 | 10,000 | 45,000 |
| Total | | | | | | 78,000 | 108,800 | 144,025 | 78,000 | 70,000 | 525,000 |

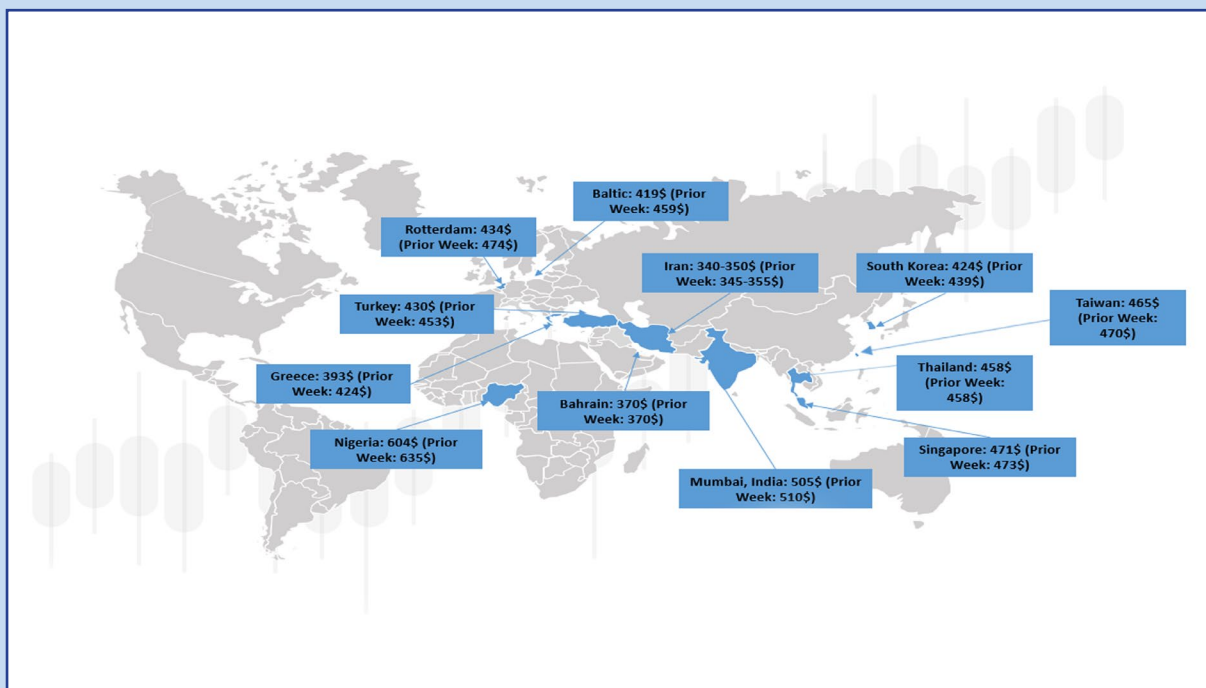
Export Bitumen Transactions

| Supplier | Open | | Close | | | Supply Volume | | Demand | Transaction Volume (MT) | | |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|--------|-----------------|-----------------|-----------------|-------------------------|-----------------|---------------|
| | Apr 24 - Apr 27 | Apr 16 - Apr 21 | Apr 24 - Apr 27 | Apr 16 - Apr 21 | Change | Apr 24 - Apr 27 | Monthly Average | Apr 24 - Apr 27 | Apr 24 - Apr 27 | Apr 16 - Apr 21 | Volume Change |
| Jey Oil - Esfahan - BEX | 166,000 | 170,200 | 167,546 | 170,200 | -1.6% | 10,000 | 11,800 | 18,340 | 10,000 | 7,000 | 58,000 |
| Jey Oil - Esfahan - GEX | 192,000 | 0 | 195,188 | 0 | - | 10,000 | 1,000 | 11,500 | 8,500 | 0 | 13,500 |
| Jey Oil - Bandar Abbas - BEX | 176,000 | 180,200 | 176,000 | 180,200 | -2.3% | 5,000 | 5,400 | 5,000 | 5,000 | 7,000 | 27,000 |
| Pasargad Oil - Bandar Abbas - BEX | 176,000 | 179,000 | 176,000 | 0 | - | 7,000 | 4,800 | 3,800 | 3,800 | 0 | 8,900 |
| Pasargad oil - Bandar Abbas - GEX | 201,000 | 204,000 | 0 | 0 | - | 3,000 | 1,600 | 0 | 0 | 0 | 2,000 |
| Pasargad Oil Abadan | 165,500 | 169,000 | 165,500 | 169,000 | -2.1% | 10,000 | 8,000 | 18,000 | 8,000 | 10,000 | 30,500 |
| Pasargad Oil Tabriz | 158,000 | 167,807 | 158,000 | 0 | - | 1,000 | 400 | 500 | 500 | 0 | 1,300 |
| Pasargad Oil Tehran BEX | 153,763 | 167,807 | 153,763 | 167,807 | -8.4% | 3,000 | 1,600 | 700 | 700 | 1,400 | 4,100 |
| Pasargad Oil Arak Bex | 154,500 | 168,327 | 0 | 168,327 | - | 3,000 | 1,600 | 0 | 0 | 100 | 3,100 |
| Pars Behin Qeshm Oil Refining | 156,417 | 161,046 | 158,408 | 0 | - | 20,000 | 11,000 | 50,000 | 20,000 | 0 | 35,000 |
| Total | | | | | | 72,000 | 47,200 | 107,840 | 56,500 | 25,500 | 183,400 |

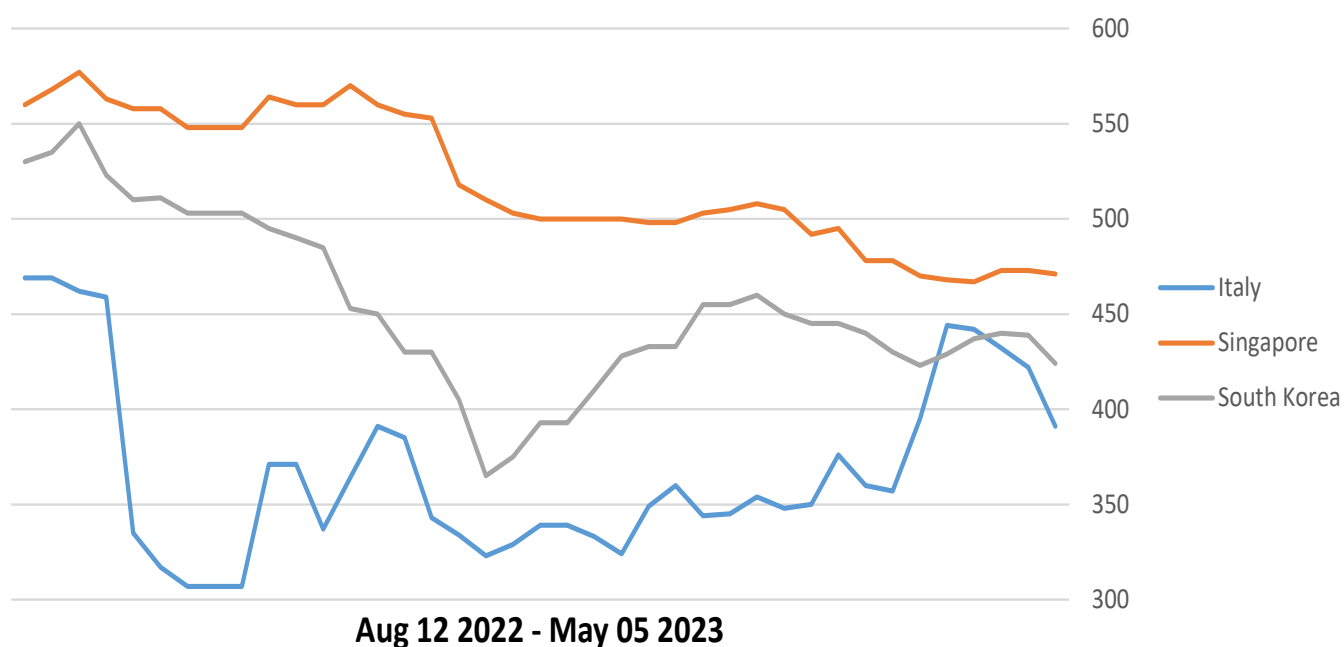
Bitumen & Jumbo Bag Prices

| Product | Weekly Range - Apr 29 to May 05 | Product | Weekly Range - Apr 29 to May 05 |
|--------------------------|---------------------------------|-----------------------|---------------------------------|
| Drum FOB Private | 395-410 | Bulk FOB Private | 340-350 |
| Drum FOB Embossed | 420-430 | Bulk FOB Governmental | 340-360 |
| Jumbo Bag Governmental | -- | Jumbo Bag Private | 385-395 |
| Bulk Ex-Work To Pakistan | 298 | Bulk Ex-Work Tabriz | 315 |

Global Bitumen Prices



Prices Chart



Freight Rate



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Sponsored By: Radian Daryaye Mahan Company

| From | To | Rate (\$) | To | Rate (\$) | To | Rate (\$) | Capacity - Foot |
|---|-------------|-----------|--------------|-----------|-----------|-----------|--------------------|
|  Bandar Abbas | Nhava Sheva | 300 | Mombasa | 1275 | Bintulu | 1350 | 20 |
| | Kandla | 300 | Dar es Salam | 1350 | Aden | 1750 | |
| | Mundra | 300 | Djibouti | 1550 | Salalah | 1400 | |
| | Haldia | 1400 | Berbera | 1750 | Karachi | 650 | |
| | Chittagong | 1100 | Sudan | 1700 | Um Qasr | 700 | |
| | Colombo | 950 | Aqaba | 1600 | Jakarta | 850 | |
| | Port Klang | 350 | Mugla | 2000 | Singapore | 850 | |
| | Jebel Ali | 50 | Kuching | 1450 | Maputo | 2750 | |

Oil Market Analysis

In prior week, fundamental and several market factors led to 6% decline in oil prices. Concerns about a recession with hiking interest rates and soaring amount of crude exports from Russia and United States put pressure on prices. At the end of the week, the U.S. economic data increased oil prices by 4\$ per barrel.



Oil Analysis

Weekly Timeframe



Daily Timeframe



Technical Analysis

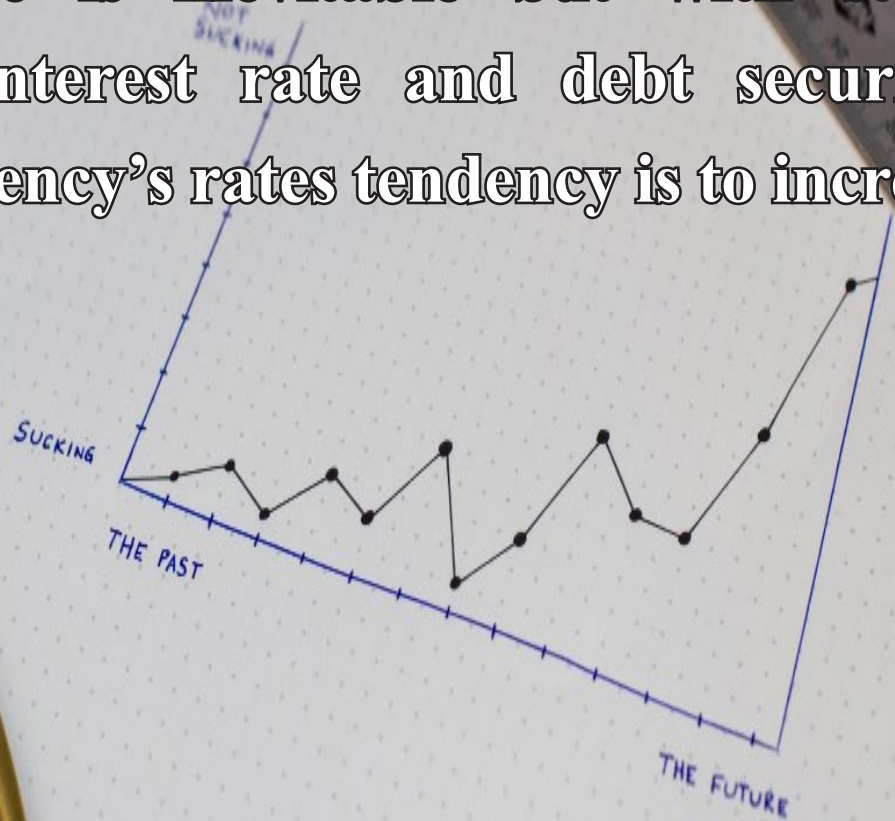
Weekly and Daily chart of WTI presented above. According to long-term chart, both increase and decline in prices up to end of 2023 is possible and price is close to a support line. In other words, any tensions could plunge prices to 40\$ per barrel. In the coming months, a new geopolitical tension will be able to push prices around 90\$ and then 110\$ per barrel. In addition, growing concerns about the U.S. recession or banking crisis in this country will possibly put the trend downward and put pressure on prices.

Fundamental Analysis

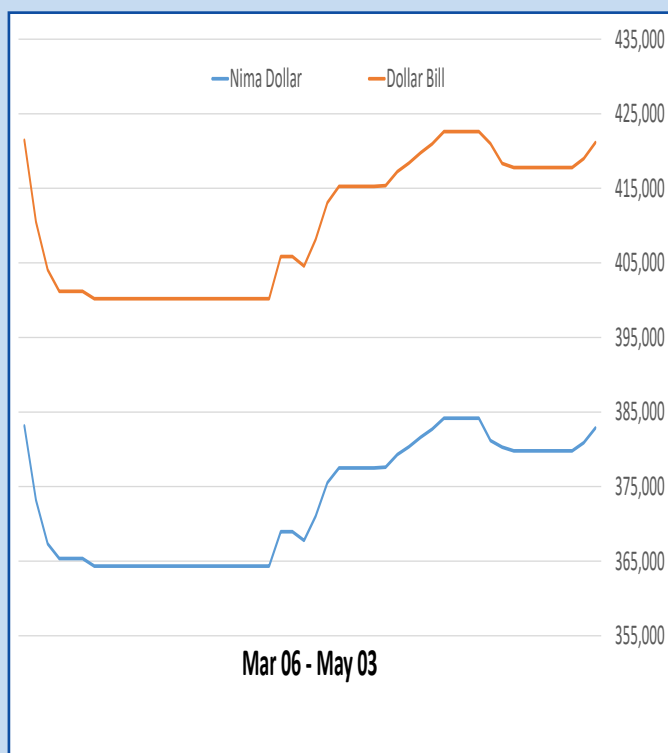
Although Brent prices were declined about 6% but, after the U.S. job reports were published and as concerns about the global economy were fading, on Friday the Brent crude was soared 4% and reached 75\$ per barrel. Higher interest rates leading to a recession and concerns about the U.S. banking system are new risks that putting pressure on demand side. In addition, weak manufacturing reports from China is also disturbing the forecasts about the biggest crude importer. Reaching Russia's supplies to 4 million bpd and the U.S. exports to 4.5 million barrels also make prices falling.

Dollar Market

In current week, official markets were in the same direction with unofficial ones and Dollar soared about 1.2%, although fluctuation in dollar's rate is inevitable but with steady interbank interest rate and debt securities, foreign currency's rates tendency is to increase.

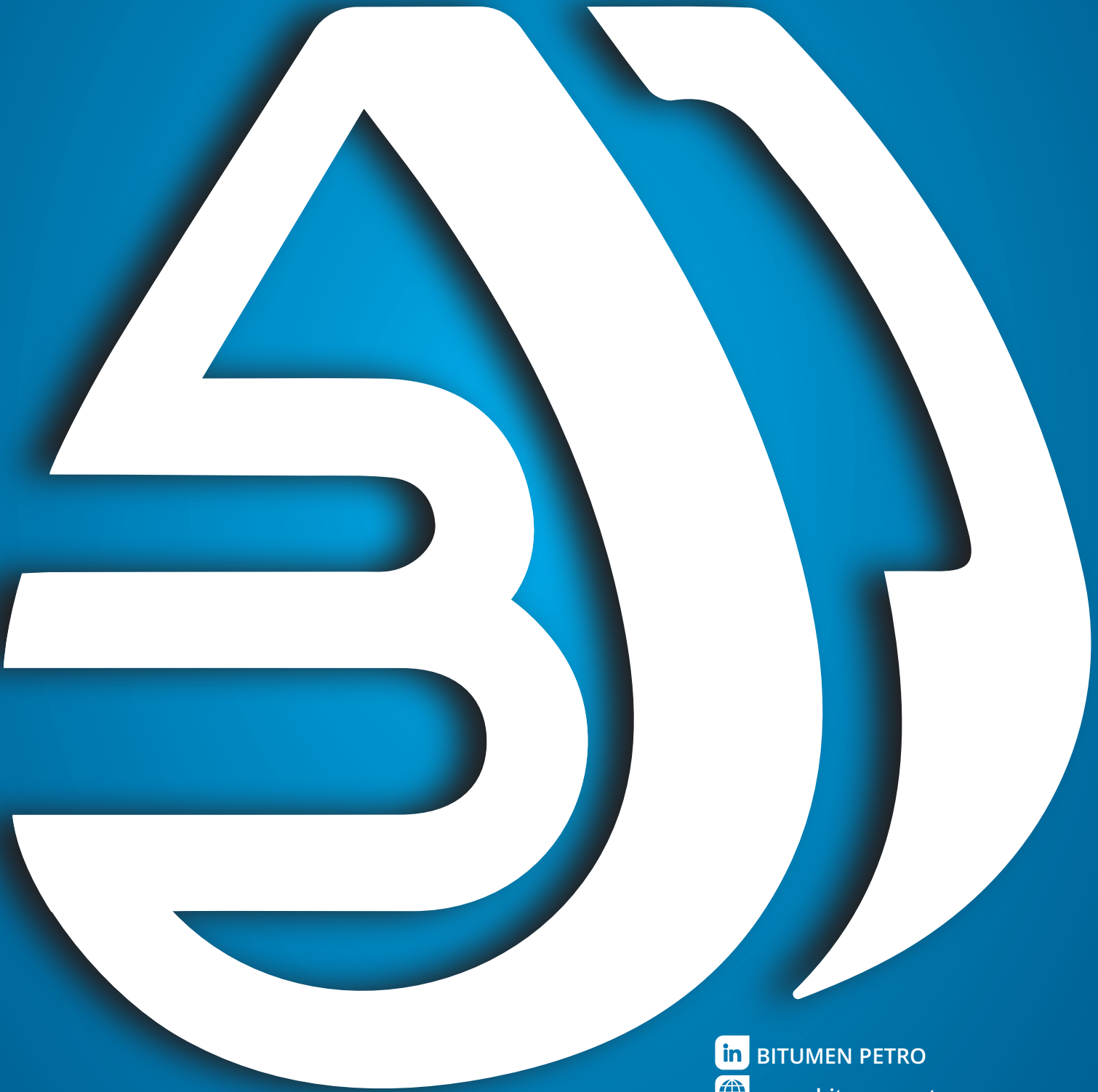


Exchange Rate - USD/IRR



| Description | Date | 5/3/2023 | 5/2/2023 | 5/1/2023 | 4/30/2023 | 4/29/2023 | 4/28/2023 |
|---|---------------|----------|----------|----------|-----------|-----------|-----------|
| Iran Center of Exchange Dollar Remittance | Change | 382,870 | 380,882 | 379,792 | 379,792 | 379,792 | 379,792 |
| | Weekly Change | 0.8% | 0.2% | -0.4% | -4.9% | 0.0% | -1.1% |
| Iran Center of Exchange Dollar | Change | 421,157 | 418,970 | 417,772 | 417,772 | 417,772 | 417,772 |
| | Weekly Change | 0.8% | 0.2% | -0.8% | -5.0% | 0.0% | -1.1% |
| Free Market Dollar | Change | 542,000 | 544,500 | 557,200 | 548,500 | 546,800 | 535,500 |
| | Weekly Change | 1.2% | 5.1% | 7.5% | 3.4% | 10.3% | 3.4% |

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