

SUMMARY

Bitumen prices eased back from Singapore, while prices were more mixed in Europe and Africa, with some increases seen for Spanish exports, while truck prices in Germany slipped back in the past week.

Truck prices fell in the last week of June in a number of northwest and central European markets on improving refinery supply and still modest activity and demand levels compared to those usually seen in the current peak paving season.

In the Mediterranean, bitumen cargo prices showed a lack of clear direction, with premiums to regional high-sulphur fuel oil (HSFO) values mixed.

Turkish export supplies, both from refiner Tupras and from the Dortyol terminal handling Iraqi Kurdistan flows, remain plentiful, as do supplies from Greece.

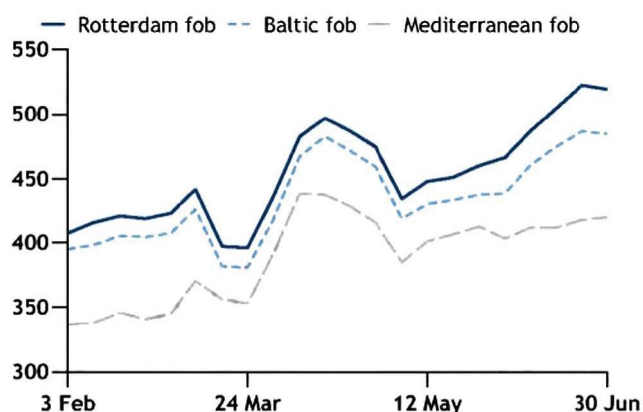
Construction activity remained subdued in most sub-Saharan African markets, including leading consumers like Kenya, South Africa and Nigeria, while the price direction was mixed..

Singapore bitumen prices extended their recent retreat as poor consumption in most Asia-Pacific regions weighed on the market, not helped by adverse weather, tight roading budgets and unseasonably high inventories.

PRICES

Bitumen prices at key locations, 24-30 Jun			\$/t	
		Low	High	±
Export cargo prices fob				
Mediterranean		418.00	422.67	+2.25
Rotterdam		517.20	522.20	-2.15
Baltic		482.20	487.20	-2.15
Singapore		440.00	450.00	-8.50
South Korea		408.75	421.25	+1.00
Mideast Gulf		269.00	390.00	-0.50
Delivered cargo prices cfr				
North Africa	Alexandria, bulk	481.00	491.00	+2.00
East Africa	Mombasa, drum	404.00	414.00	-4.00
West Africa	Lagos, bulk	650.00	660.00	+7.00
East China coast		450.00	460.00	nc
Domestic prices				
Antwerp	ex-works	562	578	-1.50
Southern Germany	ex-works	545	556	-13.00
Hungary	ex-works	583	594	-2.00
Italy	ex-works inc tax	513	523	-7.50
Indonesia	ex-works	662.00	662.00	-1.00
Mumbai	bulk	520.00	524.00	nc

Rotterdam v Baltic v Med (outright waterborne) \$/t



CONTENTS

Key bitumen prices	1
Map of waterborne bitumen prices	2
Northwest and central Europe	3-5
Mediterranean	6-8
Sub-Saharan Africa	9-11
Asia-Pacific and Middle East	12-16
Vessel tracking indications	17
Bitumen news	18-19

WATERBORNE BITUMEN PRICES, FOB



CARGO FLOWS

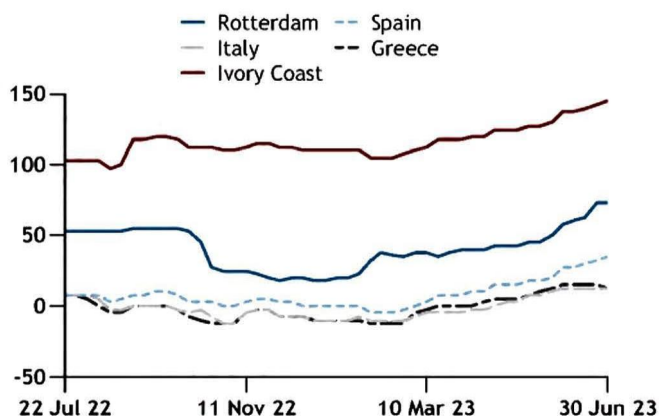
The latest cargo delivery was being made into Durban, South Africa by the 7,634 dwt *Rong Hua Wan* that arrived there on 26 June, with a cargo loaded at Sitra, Bahrain. That will be followed by the 5,985 dwt *R S G*, loaded at Port Qasim, Pakistan, and due to arrive at Durban on 2 July.

Two cargo import movements into South Africa have been earmarked for July-delivery into Durban and/or Cape Town, ahead of the start of the resumption of peak season activity from September onwards.

Europe and Africa cargo export differentials to HSFO			\$/t
	Low	High	±
Mediterranean, basis Augusta	+5.00	+9.67	nc
Rotterdam, Netherlands	+70.00	+75.00	nc
Baltic	+35.00	+40.00	nc
Spain	+33.00	+37.00	+2.50
Italy	+10.00	+15.00	nc
Greece	+10.00	+15.00	-2.50
Turkey	+5.00	+10.00	nc
Ivory Coast	+143.00	+147.00	+2.50

Waterborne markets, differential to HSFO

\$/t



Europe and Africa cargo export differentials to crude			
	Differential to Ice Brent \$/t	Differential to Ice Brent \$/bl	±
Mediterranean, basis Augusta	-136.92	-5.88	+1.59
Rotterdam, Netherlands	-37.55	10.23	+0.88
Baltic	-72.55	+5	+0.88
Spain	-109.25	-1.40	+2.00
Italy	-131.75	-5.041	+1.59
Greece	-131.75	-5.04	+1.19
Turkey	-136.75	-5.85	+1.59
Ivory Coast	+1	16.43	+2.00

Bitumen conversion factor t/bl 6.17

Ice Brent conversion bl/t 7.53

NORTH AND CENTRAL EUROPE MARKET COMMENTARY

Summary

Truck prices slipped in the last week of June in a number of northwest and central European markets on improving refinery supply and still modest activity and demand levels, compared to those usually seen at this time of year.

The price picture could change, however, going into July once monthly price agreements are struck in markets like Germany, Benelux, France and the UK for supplies during the new month. Market participants point to a \$36.50/t rise in Argus assessed fob Rotterdam high-sulphur fuel oil (HSFO) barge prices in June, to an average of just over \$438/t, although others point to weaker than usual demand for the time of year as budgets come under pressure.

Some buyers have pointed to the weakening connection between bitumen and HSFO, despite HSFO often being referenced when bitumen prices are set.

There was steadily improving production and supply out of Shell's Pernis refinery in Rotterdam after a recent halt in crude and vacuum distillation units there, and from the firm's Godorf refinery in western Germany, as well as a return to normal availability out of ExxonMobil's Port-Jerome refinery in northern France.

But seasonal demand and supply issues linked to sanctions on Russian crude, feedstocks and bitumen continue to keep regional markets tight, with suppliers pointing to lack of spot cargo availability out of Rotterdam - with sales from there largely restricted to term agreements.

Rotterdam and Baltic fob cargo premiums to fob Rotterdam HSFO barges stayed in assessed \$70-75/t and \$35-40/t respective ranges, with a slowdown in late June in Mediterranean cargo flows to northern Europe keeping overall availability limited for the time being.

The 36,711 dwt *Asphalt Synergy* is however set to move a

North and central Europe bitumen prices, 24-30 Jun

	€/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
Rotterdam, Netherlands	500	510	nc	545	556	-2.00
Antwerp, Belgium	515	530	nc	562	578	-1.50
Northern Germany	505	515	-10.00	551	562	-12.00
Northeast Germany	500	510	-20.00	545	556	-24.00
Southern Germany	500	510	-10.00	545	556	-13.00
Southwest Germany	490	500	-10.00	534	545	-13.00
Western Germany	505	515	-10.00	551	562	-12.00
Hungary	535	545	nc	583	594	-2.00
Romania	510	520	+32.50	556	567	+33.50
Poland	500	510	+2.50	545	556	+0.50
Czech Republic	475	485	nc	518	529	-2.00
Germany PMB (diff to Germany)	+145	+155	nc	+158	+169	-0.54
Germany PMB	645	665	-12	703	725	-15.54
Export prices, ex-works						
Central Europe bitumen index	487	497	-6.00	531	542	-8.00
Poland-Romania (truck)	510	520	-5.00	556	567	-7.00
Hungary-Romania (truck)	480	490	-2.50	523	534	-5.00
Serbia-Romania (truck)	485	495	nc	529	540	-2.00
Austria-Romania (truck)	490	500	nc	534	545	-2.00
Germany-Poland (truck)	480	490	-30.00	523	534	-35.00
Hungary-Slovakia (truck)	475	485	nc	518	529	-2.00
Poland-Germany (truck)	490	500	nc	534	545	-2.00
Czech Republic-Germany (truck)	470	480	nc	513	523	-1.50
Rotterdam (cargo)				517.20	522.20	-2.15
Baltic (cargo)				482.20	487.20	-2.15
Domestic prices, delivered						
Southern UK £/t	465	480	nc	590	609	-4.00
Northern France	505	515	nc	551	562	-1.50
Central France	505	515	nc	551	562	-1.50
Volyn/Lviv region, Ukraine (truck) hryvnia/t	27,000	28,000	-750.00	738.34	765.68	-20.51

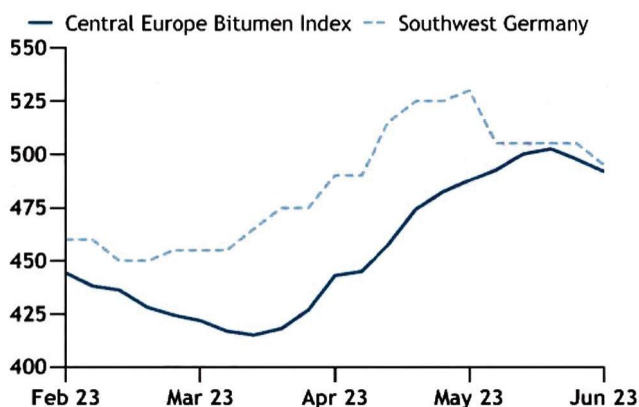
Crude and refined products, 24-30 Jun

	Low	High	Average	±
Ice Brent minute marker week range \$/bl	73.54	74.94	74.004	-1.23
Fuel oil 3.5%S, fob RMG barge \$/t	433.75	459.50	447.200	-2.15
Argus Brent Sour \$/bl	75.48	75.54		+1.80
Vacuum gasoil 0.5%S cif cargo \$/t	570.50	584.00		-9.00

Northern Europe cargo freight rates

	Low	High	±
Rotterdam-Thames	40	43	nc
Hamburg-Thames	50	54	nc
Klaipeda-Thames	79	83	nc
La Coruna-Thames	60	64	nc

South Germany v Central Europe Bitumen Index €/t



NORTH AND CENTRAL EUROPE MARKET COMMENTARY

large cargo that began loadings on 29-30 June at the Dortyol terminal in the Ceyhan area of southeast Turkey to Vitol's Antwerp storage terminal, with the Dortyol volumes sourced from Iraqi Kurdistan.

By the contrast, the whole 12,000t cargo on board the 14,786 dwt *T Adalyn* was set to be discharged into Lavera on the French Mediterranean coast on 1 July for the two main terminal importers there rather than seeing some of its volumes moved up to northwest Europe.

UK

Delivered bitumen truck prices into southern UK destinations were assessed in an unchanged £465-480/t range, although recent Rotterdam cargo premium gains, as well as slightly firmer Thames-bound freight rates, were seen by some suppliers to support upward price ideas soon.

That pressure is expected to mount once monthly prices for July supplies are agreed, with one supplier seeing values potentially reaching as high as around £500/t delivered. Cargo import prices, cfr basis Thames, were indicated just under \$560/t (around £440/t) in the last week of June.

UK demand is still relatively weak compared to the same period last year. Sales volumes in the London area were understood to be stable, but outside the capital there has been a general reduction in demand, according to one large construction firm. The UK market was still highly reliant on imports with domestic production at lower than usual levels, while import supply was experiencing some fluctuation, market participants said.

Benelux

Domestic trucks prices were assessed steady at €500-510/t and €515-530/t ex-works Rotterdam and Antwerp respective-

ly, with new monthly price deals expected to be completed during the week commencing 3 July.

A large supplier continued to indicate its truck values at €535/t ex-works Antwerp, while some other Benelux market participants reported prices in both Dutch and Belgian markets at nearer €500/t ex-works levels for June.

France

Bitumen consumption was starting to gather pace as the month came to an end, while market participants were looking ahead to July, with some expecting bitumen prices to increase by up to €20-25/t, although negotiations were yet to be completed.

Domestic prices were assessed at €505-515/t delivered in central and northern France and at €485-495/t delivered southern France.

Rising HSFO during June versus May supported the case for increases, but demand remains weaker than year ago levels with the latest indications combining both official and industry statistics showing a 10.5pc bitumen consumption fall so far this year against the same period last year.

Germany

Supply of bitumen was steadily rising as the month ended, while prices across Germany dropped back.

Demand has been slow through June, as well as much of the early part of this year, although seasonally there were signs of increased activity in late-June.

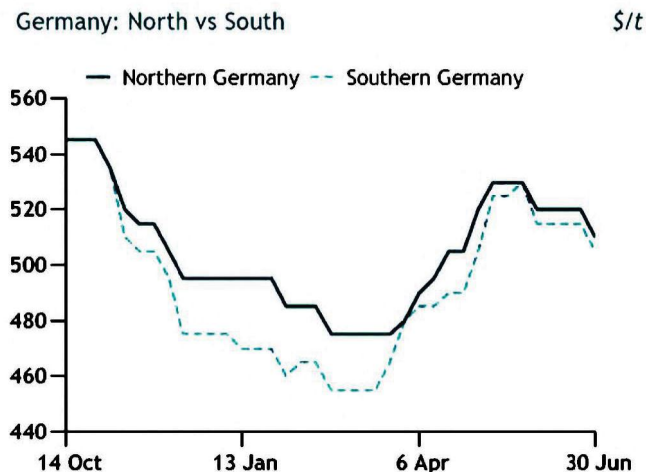
Domestic prices in all German regions, except the north-east were assessed €10/t down, with values in the southwest dropping to €490-500/range. In the northeast a major supplier was indicating volumes around €500/t ex-works, while market participants reported prices from PCK Schwedt as low as €465/t ex-works for export markets.

Increased bitumen supply was reported by market participants from Shell's Godorf refinery in western Germany after a recent post-maintenance restart, although limitations on supply in that region of the country were still reported by market players, although this was not confirmed.

Crude supply to the PCK refinery was understood to have risen since early June and there were plans for a return to normal bitumen production in July as the refinery receives much improved crude supply from non-Russian sources.

Kazakhstan state-controlled Kazmunaigaz (KMG) recently committed to ship 100,000 t/month (24,000 b/d) of crude to Germany's 226,000 b/d Schwedt refinery through Russia until the end of 2023. Crude is shipped through Belarus and Poland using the Druzhba pipeline system (see news).

Germany: North vs South



NORTH AND CENTRAL EUROPE MARKET COMMENTARY

Poland/Czech

Polish domestic truck prices were assessed €2-3/t firmer at €500-510/t ex-works, while Polish exports to Germany were assessed in an unchanged €490-500/t ex-works range.

Some truck volumes exported from the Schwedt refinery in northeast Germany were indicated as low as €465/t ex-works to Polish and even Romanian customers, with Germany to Poland assessments down €30/t at €480-490/t ex-works.

Supply from the Czech Litvinov refinery was at high levels with domestic Czech prices assessed steady around €480/t ex-works.

Polish bitumen output has been on a rising trend with statistics showing from January until May bitumen hitting 609,000t, 46pc higher than last year (see news).

Ukraine

Ukrainian bitumen sales were weak as government funding was lacking for road projects.

Ukraine-bound bitumen imports over 1-25 June hit 12,250t, compared with 11,950t in the same period of May.

Trucked import values from Orlen's Plock refinery dropped by €15/t to €510-515/t ex-works for pen 50/70 and 70/100 bitumen. Polish supplier Unibitumen kept its export prices to Ukraine unchanged at €532/t ex-Jaslo.

Domestic Ukrainian prices for Polish and Lithuanian bitumen in western Ukraine decreased by 500-1,000 hryvnia/t in the week, to 27,000-28,000 hryvnia/t (€675-700/t) fca.

Ukrainian produced pen 70/100 bitumen truck prices in central regions of the country were also down by 500-1,000 hryvnia/t in the week, to 23,000-24,000 hryvnia/t (€575-600/t) ex-works.

Hungary/Romania/Austria/Balkans

Romanian domestic prices were assessed €30-35/t up at €510-520/t ex-works after suppliers sought to reflect recent fuel oil price gains, even as construction activity and demand were still restricted by lack of government funding.

Local refiner Rompetrol, which was only modestly impacted by reduced feedstock flows to its Vega bitumen-producing refinery in Ploiesti from its Midia sister refinery, was offering to domestic customers in the €518-525/t ex-works Ploiesti range, while some inland terminal volumes were offered by another European supplier at €505/t ex-works, market participants said. The Midia refinery's mild hydrocracking unit was hit by a 21 June fire, with one Romanian market participant expecting the unit to be down for an extended period, although that was so far unconfirmed.

The Nis refinery in Pancevo, Serbia, will likely have no availability of bitumen truck export volumes during July because of continued output restrictions caused by switching to an alternative range of crudes from Kirkuk, flows of which have been halted via Ceyhan, Turkey, since late March. The refinery's production volumes currently stand at 15,000-20,000t/month, only sufficient to meet domestic demand.

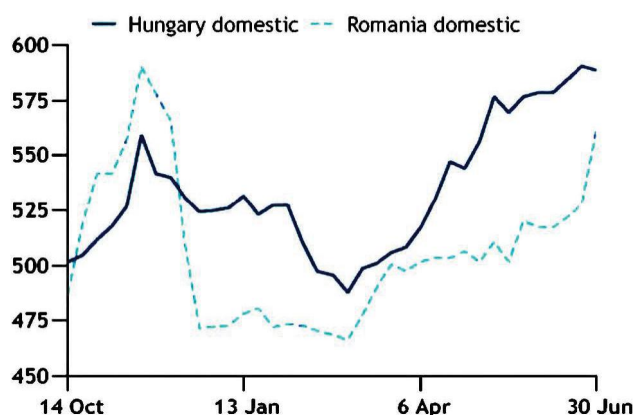
Polish export flows into Romania were assessed €5/t down at €510-520/t ex-works, with Orlen reportedly offering its volumes at around €505/t ex-works and Unibitumen at €525/t ex-works.

Hungarian domestic prices held steady while exports to Romania were assessed slightly weaker with sales done at €484/t ex-works, according to market participants.

Mol's Szazhalombatta refinery was set to undergo maintenance from 1-16 July, although sources connected with the refinery said the work would not impact bitumen and production would be stable.

Hungary and Romania domestic

\$/t



Baltics

Baltic spot cargo supply remained conspicuous by its absence, generating little or no cargo price indications as peak season activity within the Baltic states kept Orlen's Mazeikiai refinery busy supplying those markets.

End-user concerns across Scandinavian and Nordic regions over bitumen supply next year were expected by some market participants to result in a push to begin discussing 2024 term supply deals as early as August.

Lithuania and Latvian prices were steady with Mazeikiai truck prices staying at €500/t ex-works for pen grades 50/70 and 70/100, while softer pen 100/150 and 160/220 grades stayed at €522/t ex-works.

MEDITERRANEAN MARKET COMMENTARY

Summary

Bitumen cargo prices showed a lack of clear direction in the last week of June, with premiums to regional high-sulphur fuel oil (HSFO) values mixed.

While eastern Mediterranean supplies are likely to be boosted by the anticipated 1-2 July restart of the larger of two crude distillation units under planned maintenance shut-down since mid-May at Motor Oil Hellas' 180,000 b/d Agio Theodoroi refinery in Corinth, Spanish export availability remained tight because of strong construction activity ahead of 23 July general elections.

Turkish export supplies, both from refiner Tupras and from the Dortyol terminal handling Iraqi Kurdistan flows, remain plentiful, with market participants also witnessing already sizeable export volumes from Agio Theodoroi even during the refinery's turnaround period.

Greek fob cargo premiums to fob Mediterranean HSFO cargoes were assessed \$2-3/t down at \$10-15/t, while Turkish fob cargo assessments were unchanged at plus \$5-10/t. Italian exports were still assessed at \$10-15/t fob premiums to fob Mediterranean HSFO cargoes, while Spanish cargo premiums were assessed \$2-3/t firmer at around \$35/t.

The Eid al-Adha Muslim holiday period that began around 28 July slowed down rates of road project activity and bitumen requirements in north African markets and in Turkey, with construction workers in Algeria sent home to their families for the whole week commencing 26 June, with no significant activity resumption expected until after Algeria's 5 July independence holiday.

West African rainy season conditions meant a sharp slowdown in Mediterranean shipments to the region that expected to persist through the coming months, while the westbound transatlantic arbitrage to the US remained clearly

Mediterranean price index		\$/t		
		Low	High	±
Mediterranean fob (Augusta)		418.00	422.67	+2.25
Differential to HSFO		+5.00	+9.67	nc

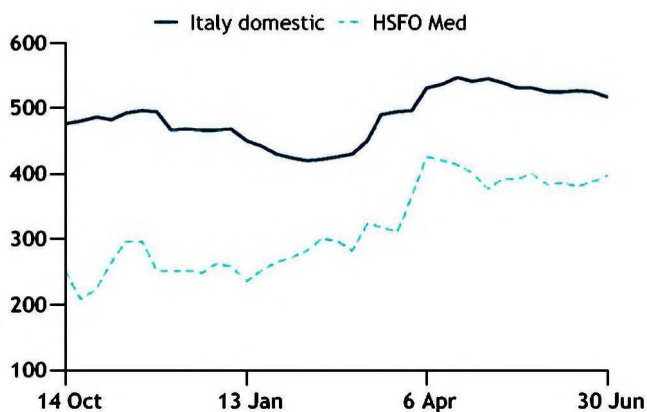
Mediterranean bitumen prices, 24-30 Jun

	Local currency/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
Italy, including tax	470	480	-5.00	513	523	-7.50
Southern France (delivered)	485	495	nc	529	540	-2.00
Spain	500	510	nc	545	556	-2.00
Izmit, Turkey	11,673	11,673	+1,132.00	451	451	+8.00
Izmir, Turkey	11,673	11,673	+1,132.00	451	451	+8.00
Batman, Turkey	11,673	11,673	+1,132.00	451	451	+8.00
Kirikkale, Turkey	11,673	11,673	+1,132.00	451	451	+8.00
Export prices, fob \$/t						
	Differential to HSFO					
Italy	-10.00	+15.00	nc	423.00	428.00	+2.25
Greece	+10.00	+15.00	-2.50	423.00	428.00	-0.25
Spain	-33.00	+37.00	+2.50	446.00	450.00	+4.75
Turkey	+5.00	+10.00	nc	418.00	423.00	+2.25
Delivered cargo prices, cfr						
Alexandria, Egypt				481.00	491.00	+2.00
Ghazaouet, Algeria				502	512	+7.00
Rades, Tunisia				479	489	+4.00
Economics				Mid		±
Bitumen's value as a fuel oil blendstock \$/t				360.784		+9.07

Crude and refined products, 24-30 Jun

	Low	High	Average	±
Fuel oil 3.5% 0.998 fob	395.75	434.50	413.000	+2.25
Basrah Heavy fob Med \$/bl	70.04	70.10		+2.85
VGO 0.5% west Med cif \$/t	570.00	584.00		-12.75

Italy domestic and Mediterranean HSFO fob cargoes \$/t



Mediterranean cargo freight rates

	Low	High	±
Augusta-Mohammedia	87	90	nc
Tarragona-Mohammedia	59	63	nc
Augusta-Alexandria	68	72	nc
Augusta-Tunis-Rades	54	57	nc
Livorno-Tunis-Rades	55	58	nc
Tarragona-Gazaouet	55	58	nc
Aspropyrgos-Corinth-Agio Theodori-Alexandria	57	60	nc

MEDITERRANEAN MARKET COMMENTARY

shut as firm HSFO cracks provided a floor to Mediterranean bitumen cargo prices.

The assessed Spanish cargo premium gains further undermined the profitability of US-bound flows, while seasonally tight north and northwest European markets continued to attract flows from the Mediterranean.

The gap between Argus fob Rotterdam HSFO barge prices and fob Mediterranean HSFO cargoes narrowed a little in late-June, a factor which along with persistently high freight rates continued to complicate arbitrage economics from south to north Europe.

Market participants reported that a Mediterranean cargo had been offered during the week ending 30 June at \$480/short ton (\$529/t) delivered US east coast, a value that compared with local supplies from North American sources at around \$460/st (\$507/t).

Algeria/Morocco

The Eid Al-Adha holiday period led to road and other construction projects being halted, especially in Algeria, cutting bitumen offtake and reducing immediate cargo import requirements.

Activity and bitumen demand will likely bounce back strongly in early-July, although in Algeria it will take longer - after the 5 July independence holiday - but suppliers into the major north African market still expect July domestic consumption to match June estimates of around 80,000t.

Private importers indicated latest cargo dealings in high \$70s/t delivered premiums to fob Mediterranean HSFO cargoes, while delivered bid-offer discussion into Morocco was indicated by regional traders at \$95-105/t premiums to the regional fuel oil values.

The 5,897 dwt *Iver Accord* moved a cargo from Agio Theodoroi, Greece, to Djen-Djen, Algeria, for 5 July arrival, while the 4,999 dwt *Ras Tomb* shipped an Augusta, Sicily, cargo to Skikda for 2 July arrival. The 8,021 dwt *Poestella*, 6,86 dwt *Iver Bitumen* and 4,999 dwt *Ain Zeft* all also were moving cargoes into Algerian ports, while the 6,187 dwt *Iver Best* shipped an Agio Theodoroi cargo to Nador, Morocco.

Egypt/Libya

There was still no indication of any near-term resumption in bitumen imports into Egypt under monthly tenders that were until the end of last year being regularly issued by state-owned EGPC before their suspension since January because of financial and currency issues.

Libyan import activity also remained quiet in the last week of June, with no indications of any fresh cargo deliveries into the country after the rate of such flows - though remaining low - rose in recent months and as trading and supply firms have become more optimistic over Libya's import plans and the ability of importers to pay for incoming cargoes, even though letters of credit issues are likely to persist.

Spain

Spanish cargo premiums to fob Mediterranean HSFO cargoes were assessed \$2-3/t firmer at around \$35/t, although there was so far no confirmation that a July loading Spanish export cargo had been traded at a \$40/t fob premium to the regional fuel oil values.

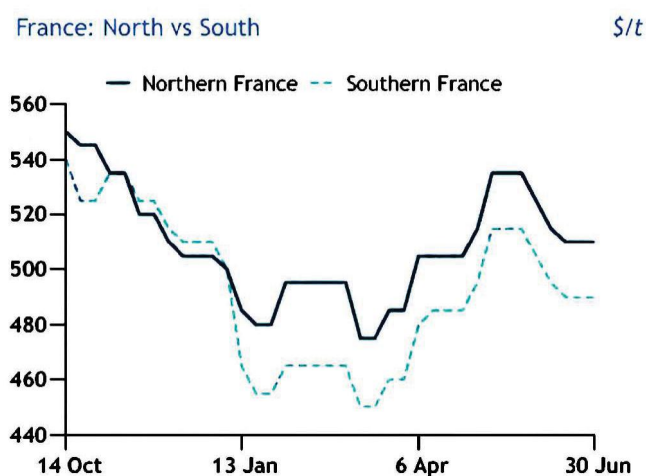
Domestic truck price assessments stayed in the €500-510/t ex-works range ahead of monthly price revisions for July sales. While construction activity remained buoyant in the run-up to 23 July general elections that were brought forward from December, some market participants were concerned that the approaching polls could make government and state officials delay taking fresh decisions on project approvals and funding ahead of possible ministerial changes under a new government.

A 6-8 day planned maintenance shutdown of a hydro-cracking unit at Cepsa's Huelva refinery that began around 22-23 June was not believed to have impacted bitumen supply, nor was it seen impact vacuum gas oil or diesel markets.

Italy

Italian domestic truck prices were assessed €5/t down at €470-480/t ex-works, including the €31/t domestic duty, while fob cargo premiums to fob Mediterranean HSFO cargoes stayed in an assessed \$10-15/t range.

France: North vs South



MEDITERRANEAN MARKET COMMENTARY

There was no confirmation of reports of a feedstock supply related cut in bitumen supplies from Eni's Taranto refinery in southern Italy, nor of indications from market participants that the restart of bitumen and base oils units at the company's Livorno refinery in northern Italy was to be postponed to October. Eni had on 23 June said that it would begin to restart the refinery in the second half of July after a maintenance shutdown that began in late-April. Several market participants remain sceptical whether, even if the refinery does restart in the coming few months, it would run for much longer as plans are afoot to build a biorefinery at Livorno instead.

Italy's antitrust regulator has opened a probe into the proposed sale of ExxonMobil's Italian subsidiary Esso Italiana to see whether the deal breaches competition rules (see news). The transfer of assets to privately-owned domestic refiner and fuel supplier API, agreed in December 2022, includes the Naples bitumen terminal which market participants said has 7,000t of capacity and which can handle cargo sizes up to 5,000t. The deal is generally expected by Italian market players to be approved once the current probe is completed within a planned 45-day period set by regulators.

Greece

The impending 1-2 July restart, according to market participants, of the larger of two crude distillation units at the MOH refinery in Agio Theodoroi, was seen increasing the refinery's export supply potential, with fob Greece export premiums assessed \$2-3/t down at \$10-15/t.

Construction activity in Greece itself, and in truck markets across much of southeastern Europe, remains lacklustre so far this year on restricted government finances that have limited spending on infrastructure.

Greek suppliers said there had been no major road projects in Greece this year that may have drawn on substantial bitumen volumes, although they said there had been something of an activity and demand bounce in the period between the first (21 May) and second (25 June) set of Greek legislative elections and that there might be another in the months running up to October local elections across the country.

Turkey

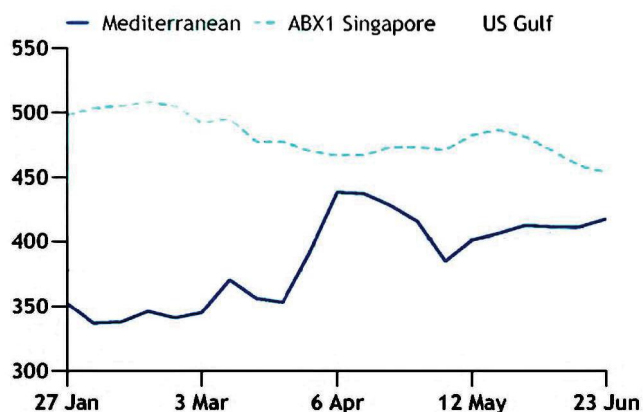
Turkish fob export values stayed in an assessed \$5-10/t premium range to fob Mediterranean HSFO cargoes, with a number of trading and supply firms still pointing to Tupras and non-Tupras export flows from Turkish terminals at single digit fob premiums.

The 36,711 dwt *Asphalt Synergy* began loading a large cargo at the Dortyol terminal in the Ceyhan area of south-east Turkey which is fed with truck volumes from Iraqi Kurdistan, principally the Lanaz refinery there. The cargo is expected to be shipped to Vitol's Antwerp terminal in Belgium for supply - mainly by truck - into Benelux and other northwest European markets.

Tupras raised its posted domestic bitumen truck prices, with effect from 27 June, by TL 1,132/t to TL11,673/t ex-works its Izmit, Izmir, Kirikkale and Batman refineries.

Med v ABX1 v USG (outright waterborne)

\$/t



SUB-SAHARAN AFRICA MARKET COMMENTARY

Summary

Construction activity remained subdued in most sub-Saharan African markets, including leading consumers like Kenya, South Africa and Nigeria, while price direction was mixed.

While bitumen tanker shipping remains tight, in some cases generating yet higher indicative spot freight rates beyond recently elevated values on cross-Mediterranean and Africa-bound routes, sharp declines in container shipping rates were generating growing interest in moving drummed, bitutainer and bagged volumes into the continent, in particular from the Mideast Gulf.

There has been more evidence of so far small-scale Mideast Gulf bagged bitumen supplies into sub-Saharan African markets, notably Uganda and South Africa.

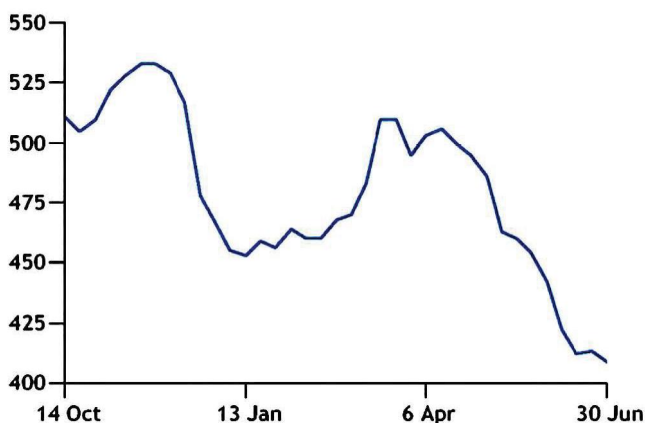
West Africa

Prices for import cargoes into west African terminals were little changed as slim weekly declines in high-sulphur fuel oil (HSFO) values were countered by firmer assessed bitumen cargo premiums.

Spanish and Ivory Coast export cargo premiums to fob Mediterranean HSFO cargoes were assessed \$2-3/t up at around \$35/t and \$145/t respectively, reflecting limited export availability from the Mediterranean because of peak season construction sector requirements in that region and across Europe as a whole.

Import requirements into west Africa have been markedly slowing down, however, with no new large cargo movements towards regional outlets during late June and lack of average 5,000t cargo deliveries into Nigerian and other terminals in the midst of the rainy season slowdown in construction activity.

Tanzania, cfr Dar es Salaam drums



Sub-Saharan Africa bitumen prices, 24-30 Jun

	Local currency/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
South Africa	15,000	15,400	nc	803	825	-15.00
Import/export prices						
Ivory Coast, fob Abidjan (export, cargo)				556.00	560.00	+4.75
Nigeria, cfr Lagos (import cargo)				650.00	660.00	+7.00
Ghana, cfr Takoradi-Tema (import, cargo)				607	617	+7.00
Kenya, cfr Mombasa (import, drums)				404.00	414.00	-4.00
Tanzania, cfr Dar es Salaam (import, drums)				404	414	-4.00

Africa freight rates

	Low	High	±
Abidjan-Lagos-Warri-Port Harcourt (cargo)	72	76	nc
Abidjan-Takoradi-Tema (cargo)	49	54	nc
Tarragona-Lagos-Warri-Port Harcourt (cargo)	220	230	nc
Bandar Abbas/Jebel Ali-Mombasa (drums)	40	50	-10.00
Bandar Abbas/Jebel Ali-Dar es Salaam (drums)	40	50	-10.00
Bandar Abbas/Jebel Ali-Djibouti (drums)	95	105	-10.00

The 45,974 dwt *Bitu Express* was heading back to the Mediterranean for another likely east Mediterranean cargo loading after completing discharges into the Lome, Togo, terminal and into smaller tankers in the west Africa region for onward delivery into terminals there.

The Rubis Asphalt tanker's sister ship, the 45,986 dwt *Bitu Atlantic*, arrived at the Tupras export terminal at Aliaga, Turkey, on 27 June to also load a large cargo, with the destination of the cargoes on both tankers so far undisclosed.

Nigeria/Ghana/Ivory Coast/Cameroon/Angola

Persistent rainfall during the rainy season continued to affect Nigeria and neighbouring countries, with forecasts showing heavy bouts of wet weather set to especially impact coastal areas in Nigeria and Cameroon, as well as Ghana and Ivory Coast.

The seasonal weather conditions have been dampening Nigerian project work and bitumen demand for several weeks, with a distinct lack of fresh cargo flows into Nigerian and other regional terminals during the last week of June.

Nigerian Port Authority shipping information did however show that the 11,406 dwt *Biskra* was due to arrive at the Ringardas jetty at Asca/Ringardas' Sapele terminal on 30 June with a 6,494t part-cargo to discharge. The tanker had

SUB-SAHARAN AFRICA MARKET COMMENTARY

made its first part-cargo delivery into Douala, Cameroon, on 25-29 June.

The 6,033 dwt *Jane Asphalt* was located near to Port Harcourt after completing a delivery into Gradient Bitumen's Warri terminal on 13 June, while the 4,900 dwt *San Biagio* - under long-term time charter with Ivory Coast refinery producer SMB - was still sitting off the company's Abidjan terminal. The vessel's last cargo delivery, into Takoradi, Ghana, had been completed on 2 June, which had followed a two-port discharge from Abidjan into Ghana's Takoradi and Tema terminals during the second half of May.

A small part-cargo looked to be set for discharge into Luanda, Angola, from the 15,000 dwt *Bitu River* after the Rubis Asphalt tanker had made its main deliveries of its Turkish export cargo into Durban and Cape Town, South Africa.

East Africa

Regional import prices for drummed, bagged and bitutainer flows from the Mideast Gulf slipped hefty new declines in container shipping freight rates outweighed assessed gains in Iranian drummed export prices.

Iranian drummed bitumen exports were assessed \$6/t firmer at \$350-378/t fob Bandar Abbas, while bulk cargoes were less than \$1/t down in an assessed \$266.25-272.50/t fob Bandar Abbas range.

Drummed freight rates fell sharply as container shipping costs continued to fall back, with assessed Bandar Abbas to Mombasa, Kenya, and Dar es Salaam, Tanzania, rates down \$10/t at \$40-50/t, while Bandar Abbas/Jebel Ali (UAE) rates to Djibouti were also assessed \$10/t lower at \$95-105/t.

While some market participants said both Iranian state-owned IRISL and international lines were now charging at

the same container shipping rates of around \$900/container (\$45/t), others referred \$850-900/container (42.50-45/t) rates for both sets of shipping. International lines had previously charged far more for their services to east and other African ports than IRISL, but market players said the rates were now in line with each other, certainly into Mombasa and Dar es Salaam.

The falling rates have made drummed, as well as bagged and bitutainer, supplies far more competitive vis-a-vis bulk tanker movements which continue to command high freight rates, with no immediate sign of those values falling. The last bulk cargo shipment on a bitumen tanker from the Mideast Gulf into east Africa was delivered into Skytrade Global's Mombasa terminal at the start of June, with no new indications yet on the next cargo loading on the route.

Kenya

While overall expenditure under the Kenyan government's annual budget for fiscal year 2023/24 commencing 1 July 2023 rose, the budget details showed a significant reduction in infrastructure spending.

Despite that, some market participants were hopeful that a fresh injection of funds would be made available for road and highway projects across the country to enable rates of construction work to rise from August onwards after slow release of funds and weak bitumen demand in the first half of 2023.

The total Kenyan budget for 2023/24, released on 15 June, was set at Kenyan Shillings 3.68 trillion (\$26.18bn), 4.17pc up from KES3.34tn in 2022/23, but the allocation to "Energy, infrastructure and ICT" fell from KES407.7bn (\$2.9bn) to KES364.1bn (\$2.59bn) after pressure from taxpayers to focus on priority areas which received a sharp funding boost, especially health and education.

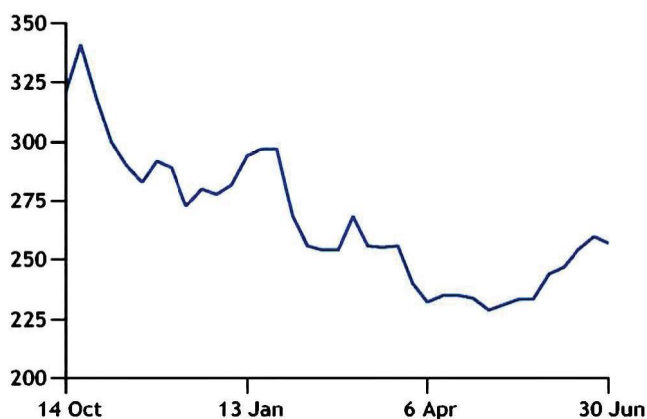
The falling freight rates for drummed movements into Kenya were expected by local suppliers to push down domestic ex-works truck prices in the coming weeks from levels in the KES97-98/kg (\$690-697/t) during the week ending 30 June. One supplier expected ex-works prices to dip as low as KES90/kg (\$640/t).

Southern Africa

Domestic and export prices into regional markets for South African truck volumes were assessed unchanged ahead of monthly price revisions for July sales.

South African domestic prices, with the same values also applying to sales to the country's southern African neighbours, were still assessed in the Rand 15,000-15,400/t

West Africa cargo cfr- Med HSFO fob cargoes



SUB-SAHARAN AFRICA MARKET COMMENTARY

ex-works range ahead of revisions that will take effect from 1 July.

South Africa

Sasol said most units at its 107,000 b/d joint venture Natref refinery with TotalEnergies were back up after planned May-June maintenance work, while local market participants said most bitumen supply would likely only be resumed in the second half of July (see news).

One such player was informed that TotalEnergies would begin resuming bitumen supplies in the first week of July, but with limited volumes at first, while Sasol production and supply would only be restarted around 20 July.

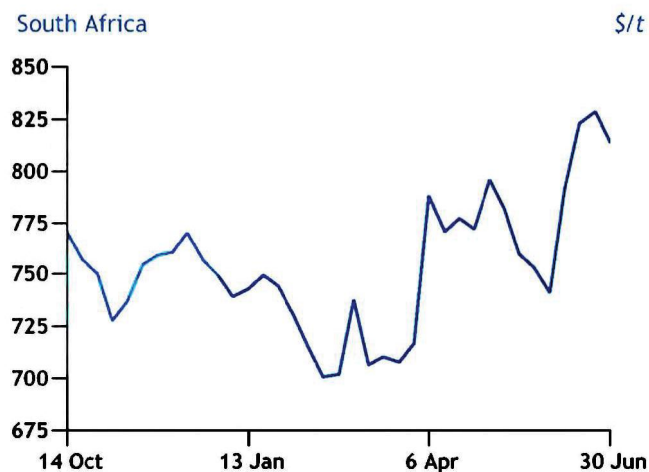
While that could further tempt international cargo players into moving more cargoes into South Africa, local players said they were struggling to place all incoming cargo volumes into Durban and Cape Town in the country's storage terminals and depots during the current lower activity and demand season.

The latest cargo delivery was being made into Durban

late in the week ending 30 June by the 7,634 dwt *Rong Hua Wan* that arrived there on 26 June with a cargo loaded at Sitra, Bahrain. That will be followed by the 5,985 dwt *R S G*, loaded at Port Qasim, Pakistan, and due to arrive at Durban on 2 July. There was still speculation, so far unconfirmed, that the first bitumen export cargo out of Yanbu on the Saudi Red Sea coast would be shipped by an international trading firm to South Africa, although the details of that shipment have yet to be confirmed.

Two cargo import movements into South Africa have been earmarked for July delivery into Durban and/or Cape Town, ahead of the start of the resumption of peak season road paving and general construction activity from September onwards.

South Africa



Argus Bitumen & Roads Asia Conference

7-9 November 2023
Singapore

Book by
18 August
to save
\$500

www.argusmedia.com/bitumen-asia

ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Singapore

Singapore bitumen prices extended their recent retreat as poor consumption in most Asia-Pacific regions weighed on the market, not helped by adverse weather, tight roading budgets and unseasonably high inventories.

Market participants are observing if and when China will issue infrastructure stimulus packages, citing the unseasonably weak demand in this market as a key factor contributing to subdued demand for Singapore material in recent weeks. South China is a traditional destination market for Asian suppliers, including Singapore and Thailand. Poor consumption in this part of China can pressure sellers in export sources such as Thailand to compete harder against Singapore suppliers for other destinations such as Vietnam and Indonesia.

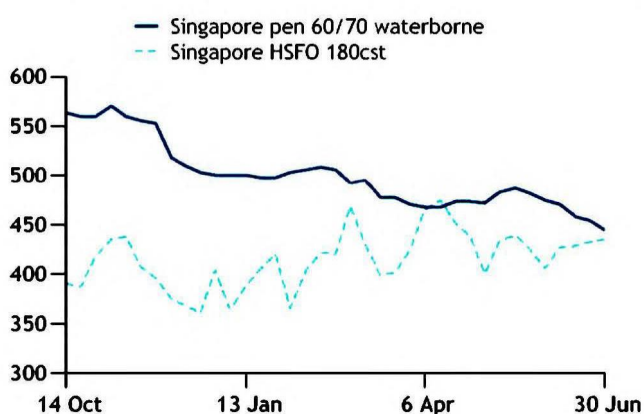
A late July-loading Thai-origin 3,000-5,000t cargo was offered at a cfr price to Vietnam which participants estimated would net back to around \$425/t fob, compared with the latest daily Singapore ABX 1 at \$445/t fob on 30 June. The weekly ABX 1 was also assessed at \$445/t fob on 30 June.

Softer demand in alternative markets Vietnam and Indonesia over the June season potentially presents further dilemmas for Singapore based suppliers because importers there are entering the southeast Asian monsoon season with unusually large inventory levels. Roading operations have slowed as contractors brace for the potentially adverse weather conditions that could last for significant parts of the third quarter.

Indicative bids for late-July loading Singapore material were at \$430-440/t fob against offers at \$450-460/t for most of this week, with sellers exerting more effort to coax enquiries out of prospective buyers.

Singapore pen 60/70 and HSFO cargoes

\$/t



Asia bitumen prices, 24-30 Jun

	Local currency/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
South Korea	862,591	895,315	+15,131.00	659	684	nc
Mumbai, India	42,640	42,940	nc	520.00	524.00	nc
Mumbai, India (drums)	51,940	52,840	nc	633	644	-1.00
Thailand	24,225	24,225	+380.00	685	685	nc
Indonesia	9,925,000	9,925,000	nc	662.00	662.00	-1.00
Singapore	670	677	+6.00	495	500	nc
Singapore-Malaysia ex-ref	629	636	+5.50	465	470	nc
Japan	79,200	79,200	-3,486.50	549	549	-33.50
East China	3,700	3,720	-25.00	513	516	-7.00
South China	3,730	3,830	+75.00	517	531	+6.50
Waterborne, fob						
Iran				266.25	272.50	-0.63
Iran (drums)				350	378	+6.00
Bahrain	147	147	nc	390	390	nc
Singapore	595.00	609.00	-6.50	440.00	450.00	-8.50
Singapore (drums)	758	771	-4.50	560	570	-8.50
Thailand	15,041	15,572	-21.00	425	440	-7.50
South Korea	535,029	551,391	+10,638.00	408.75	421.25	+1.00
Taiwan	13,354	13,664	-77.50	430	440	-5.00
Waterborne, cfr						
North China coast	3,283	3,319	+26.00	455	460	nc
East China coast	3,247	3,319	+26.00	450.00	460.00	nc
South China coast	3,319	3,377	+91.00	460	468	+9.00
Northern Vietnam (drums)				404	600	-1.50
Southern Vietnam (drums)				399	595	-1.50
Economics				Mid	±	
Bitumen's value as fuel oil blendstock, Singapore				376.978	-11.19	

Asian Bitumen Price Index

	Index	±
ABX 1 fob Singapore	445.00	-8.50
ABX 2 fob South Korea	415.00	+1.00

Monthly Average (contract)

Contract	Jun 23	May 23
ABX 1	458.13	479.77
ABX 2	409.75	419.09

Fob Mideast Gulf Price

	Low	High	±
Mideast Gulf fob (\$/t)	269.00	390.00	-0.50

Crude and refined products, 24-30 Jun

	Low	High	±
Dubai fob Dubai \$/bl	74.16	76.10	-0.51
Banoco Arab Medium \$/bl	75.76	77.59	-0.78
Fuel oil HS 180cst fob Singapore \$/t	417.75	435.25	-10.00
Fuel oil HS 380cst fob Singapore \$/t	415.75	433.75	-7.25
Gasoil 0.5% fob Singapore \$/bl	89.80	92.00	-0.80

ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

There was no activity for the Singapore ABX 1 on the Argus Open Markets (AOM) this week, although there was a bid for a South Korean cargo on the AOM. Hiin Asia-Pacific bid 4,200t fob South Korea loading Onsan for 14-18 July dates at \$425/t, on S-Oil July tender terms.

Singapore tank trucks were sold into Malaysia at about \$465-470/t ex-refinery, relatively stable from last week. Activity was less because of public holidays in Singapore and Malaysia this week.

Malaysia

Malaysian consumption slowed because of the Eid Al-Adha holiday on 29 June.

Most participants do not expect the market to gain any strength as roadworks in many regions are hampered by funding difficulties. Listed prices for Malacca were stable against week-earlier prices at around 2,300 ringgit/t. Ex-Tanjung Langsat prices were at around \$470/t, while Ex-Port Klang prices were around 2,330-2350 ringgit/t. Trucks were delivered into Johor at 2,270 ringgit/t, 15 ringgit/t lower against last week.

Indonesia

The Eid holidays had a greater impact in taming Indone-

Bitumen freight, 24-30 Jun	\$/t		
Singapore-east Australia	160	170	nc
Singapore-west Australia	115	125	nc
Singapore-Gresik, Indonesia	35	40	nc
Singapore-north Vietnam	55	65	nc
Singapore-south Vietnam	40	45	nc
Singapore-south China	60	65	nc
Singapore-east China	70	75	nc
Thailand-south China	60	65	nc
Thailand-east China	70	75	nc
Thailand-east Australia	160	170	nc
Thailand-west Australia	120	125	nc
Taiwan-Ho Chi Minh, Vietnam	60	65	nc
Taiwan-Haiphong, Vietnam	45	50	nc
South Korea-east China	32	40	-2.00
South China-Haiphong, Vietnam	45	50	nc

sian activity this week, while some key consuming regions, including Gresik, saw unusually high inventories.

Some Indonesia-based participants bid indicatively at \$445-455/t fob for July-loading Singapore material at the start of the week, but these subsided as the weekend approached. No related deals were reported to Argus.

Consumption in parts of east Indonesia fared better than other parts of the country. But this may not be sufficient to lift the country's interests in seaborne material, participants noted.

Vietnam

This key southeast Asian market was largely muted, with most importers citing high inventories as a reason for not bidding for July-August material. Some indicative bids were at cfr prices netting back to around \$430-440/t fob Singapore, but no firm discussions emerged.

The onset of the monsoon season in Vietnam threatens to disrupt roadworks and further restrain import activity.

Thailand

Thailand's seaborne market remained subdued, although the availability of cargoes from this origin fell after a few weeks of firmer sales.

Thai seaborne material were diverted from a muted south China destination to hit some key southeast Asian markets in recent weeks. But this appears to have lost steam after some Thai producers cut output in response to lower domestic prices. The start of the southeast Asian monsoon season is likely to hamper roading operations.

Argus Asia Bitumen Daily

Argus launches daily price assessments for fob Singapore and fob South Korea from 1 November 2021, adding to the existing weekly benchmark prices.

The new Argus assessments will highlight daily price movements in the Asian bitumen market, enabling industry participants to make more timely decisions on whether to buy or sell.

Argus Asia Bitumen Daily will be provided to Argus Bitumen report subscribers.



For more information, please contact
singapore@argusmedia.com »

ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

At least one July-loading Thai-origin cargo was offered to a southeast Asian destination at \$420-430/t fob, but no related bid or deal was reported to Argus.

South Korea

The weekly and daily South Korean ABX 2 were assessed at \$415/t fob on 30 June.

Activity in this market has been mostly subdued since the last export tender nearly two weeks ago. Another South Korean refinery sold at least four second-half July loading 5,000t cargoes on 30 June at a premium of around \$12-13/t against prevailing high sulphur fuel oil (HSFO) prices, significantly higher than the bids by most market participants in east China.

Taiwan

Some Taiwanese cargoes loading in late-July were offered at \$470-480/t cfr to north Vietnam, but no bids or transactions were reported to Argus.

Australia & New Zealand

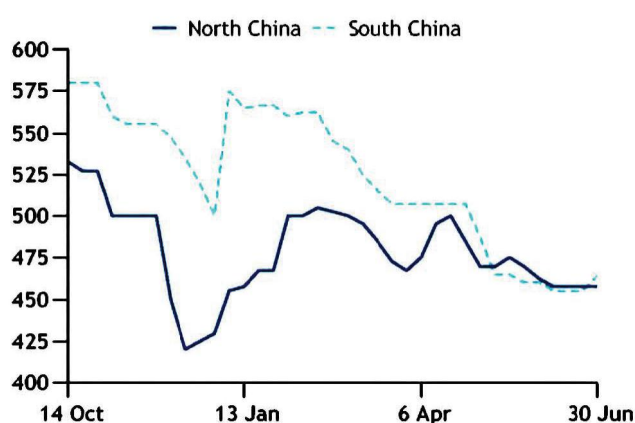
Domestic consumption in Australia and New Zealand remained steady. The winter season in the southern hemisphere has been unseasonably wet, putting the brakes on some roadworks, although the more tropical northern parts of Australia were less affected.

China

East and south China ex-works prices were assessed at 3,710 yuan/t (\$511.12/t) and Yn3,780/t on 30 June, respectively. The former fell by Yn25/t and the latter gained Yn75/t against week earlier levels.

Delivered cargoes: North and South China

\$/t



Australia import cargo prices, 24-30 Jun		\$/t		
	Low	High	±	
Thailand fob (Class 170)	455	465	-9.00	
Thailand fob (Class 320)	460	470	-9.00	
Singapore fob (Class 170)	458	468	-9.00	
Singapore fob (Class 320)	460	470	-9.00	

Mideast Gulf to India freight rates		\$/t		
	Low	High	±	
Bandar Abbas/ Nhava Sheva (drums)	11	12	nc	
Bandar Abbas/ Mundra (drums)	11	12	nc	
Bandar Abbas/ Haldia (drums)	46	47	nc	
Bandar Abbas/ Mundra (bulk)	75	85	nc	
Bandar Abbas/ Karwar (bulk)	85	95	nc	
Bandar Abbas/ Kakinada (bulk)	110	120	nc	
Bandar Abbas/ Haldia (bulk)	125	135	nc	

A significant retreat in the value of the yuan against the dollar as the country's economy face renewed challenges threatens to raise import costs.

Weaker consumption in south China may have prompted some refineries there to cut output, according to market participants, although this could not be immediately verified. Some local participants also said they were pressured to fulfil contractual obligations to lift term cargoes, which they intend to store in the absence of any firm consumption requirements. The gains in ex-works prices here are unlikely to translate into any significant enquiries for seaborne material yet, some participants noted. There was a firm bid at \$465-470/t cfr south China for a July loading Singapore cargo, but this market was otherwise muted.

India

Indian demand was slow on a combination of adverse weather, funding delays and the Eid holiday.

Less offers emerged from traditional supply sources in the Middle-east that were affected to a greater extent by the Islamic holidays.

Inventory levels for drummed bitumen remained high in the country, following a flurry of April-May cargoes, which were only recently cleared at ports because of logistic problems. This further weighed on enquiries for seaborne cargoes.

Domestic refiners are due to release listed prices on 1 July with another revision due on 16 July.

ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Iranian export sales through the IME, 24-29 Jun

Grade	Seller		Packing	Price rials/kg	Destination
Pen 60/70	Hormozan Oil	8,600	Bulk	115,902	Export by ship fob Bandar Abbas
Pen 60/70	Hamoon Gostar Bakhtar	1,700	Bulk	112,108	Export by truck ex-Kermanshah
Pen 60/70	Neyzar pipe and casting	5,300	Bulk	150,000	Export by truck ex-Delijan
Pen 60/70	Petro Kala Hegmatan	2,000	Bulk	117,808	Export by ship fob Bandar Abbas
Pen 60/70	Poyandegan Fan & Tejarat	2,000	Bulk	116,100	Export by truck ex-Esfahan
Pen 60/70	Chatr Bam Ayegh	1,500	Bulk	115,902	Export by truck ex-Tehran
Pen 60/70	Shimi Tejarat Naghsh Jahan	3,000	Bulk & Bag	117,000	Export by truck ex-Esfahan
Ac40	Ghiran Pakhsh Setarh Iranian	5,000	Bulk	115,902	Export by truck ex-Tehran
Pen 60/70	Kane Zarin Jey	1,500	Bulk	112,108	Export by truck ex-Esfahan
Pen 60/70	Pasargad Oil	2,000	Bulk	134,800	Export by truck ex-Arak
Pen 60/70	Pasargad Oil	7,000	Bulk	133,000	Export by ship fob BIK
Pen 60/70	Pasargad Oil	1,000	Bulk	138,169	Export by truck ex-Tabriz
Pen 60/70	Pars Bernet Pars	1,500	Bulk	115,902	Export by truck ex-Esfahan
Pen 60/70-85/100	Kasra Bitumen Refinery	4,250	Drum	131,000	Export by ship fob Bandar Abbas
Pen 60/70	Spadana Bitumen	3,000	Bulk	117,808	Export by ship fob Bandar Abbas
Pen 60/70	Negin Siah Azarbiajan	2,000	Bulk	112,018	Export by truck ex-Tabriz
Pen 60/70	Bitumen Hormoz Pars	6,100	Bulk	115,902	Export by ship fob Bandar Abbas
Pen 60/70	Parsian Energy	15,000	Bulk	112,110	Export by ship fob Bandar Abbas
Pen 60/70	White Gold	7,000	Drum	133,002	Export by ship fob Bandar Abbas
Pen 60/70	Satrap Jam	1,270	Bulk	115,902	Export by truck ex-Esfahan
Pen 60/70	Black Gold	10,000	Bulk	123,902	Export by ship fob Bandar Abbas
Pen 60/70	Asia Palayesh Aras	1,600	Bulk	115,902	Export by truck ex-Aras

Bahrain

Listed seaborne prices for fob Sitra were unchanged at \$390/t. Demand for Bahrain-origin material slowed this week because of the Eid Al-Adha holidays in the region.

Iran

Activity was scarce from Iran because of religious holidays, although higher vacuum bottom (VB) feedstock costs boosted asking prices from certain suppliers.

Demand for bulk material was thin because of the road-works-disrupting monsoon rains and relatively high inventories in Iran's key consuming south Asian markets.

At least 13,400t of prompt-loading bulk Iranian bitumen cargoes were sold at \$266-273/t fob Bandar Abbas early this week, down by around \$3-4/t against week-earlier transactions. Some producers increased their offers to \$280-285/t as the weekend approached, although this failed to interest most buyers. Some previous batches of bitumen cargoes, less affected by higher production costs, were offered at \$265-270/t fob.

In Bandar Iman Khomeini (BIK), there were at least two cargoes totaling 10,000t that were offered at \$260-265/t fob. But news of any related transactions were slow to emerge.

Truck-delivered bulk offers have firmed against the previous week to IR139,000-142,000/kg (\$318/t), although bids

were scarce because of holidays in key market Pakistan.

In the Iranian drummed market, August-loading material was earnestly sought by some south Asian buyers planning for post-monsoon demand as these cargoes typically take around 50-70 days to reach there.

At least 21,000t of Iranian drummed cargoes were sold at \$345-378/t fob. This compares with bids at \$348-352/t, against offers at \$360-365/t. Most of the bids came from buyers in India, Bangladesh and Africa.

The demand for Iranian jumbo bag cargoes remained robust because of enquiries from as far as China and Malaysia in addition to the usual south Asia and African markets. At least 6,000t of such cargoes was sold at \$330-345/t fob on wood pallets and steel cages.

The Iran Mercantile Exchange was less active this week. Pasargad Oil sold 2,000t of pen grade 60/70 bulk material at IR 134,800/kg (\$306/t) ex-Arak and 1,000t of pen grade 60/70 bulk at IR138,169/kg (\$314/t) ex-Tabriz. The company also sold 7,000t of pen grade 60/70 cargoes at IR 133,000/kg (\$295/t) fob BIK.

Iran domestic

Vacuum bottom (VB) feedstock prices were adjusted 8.8pc higher on 26 June by Iran's Oil Refining Industry Association against 24 June, partly because of rising HSFO costs.

ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Proposal to redefine fob Singapore bitumen prices as including demurrage

Argus proposes to redefine its fob Singapore and fob South Korea bitumen price assessments to include the value of demurrage clauses common to contracts in this market

fob Singapore

Demurrage clauses are common but not in universal use in the fob Singapore bitumen market and this change is intended to standardise the published price assessment around activity including these terms.

As part of this proposal, Argus will assess and publish the \$/t value of a demurrage clause included in a trade that otherwise meets the standard Argus fob Singapore specifications. That assessed value will be added to market information reported on an "excludes-demurrage" basis for the purpose of the fob Singapore assessment.

The \$/t demurrage value for 3,000-7,000t bitumen vessels will be assessed weekly based on a survey of market participants.

fob South Korea

Demurrage clauses are more common in the fob South Korea bitumen market. Accordingly, Argus proposes not to independently assess a demurrage value for the purposes of the fob South Korea bitumen assessment, and will not consider bids, offers and trades that exclude demurrage in its fob South Korea bitumen assessments.

Bids and offers can be placed and trades initiated with and without demurrage on the Argus Open Markets (AOM) platform for both fob Singapore and fob South Korea. AOM users are reminded that varying bitumen grades, port differentials or timings, multiple discharge conditions, demurrage costs and any other factors that are material to the value of what is bid or offered must be specified in the notes field.

Argus will accept comments on this change until 14 July. To discuss comments on this proposal, please contact Bohan Loh at bitumen@argusmedia.com or +65 9858 9087. Formal comments should be marked as such and may be submitted by email to bitumen@argusmedia.com and received by 14 July. Please note, formal comments will be published after the consultation period unless confidentiality is specifically requested.

Iranian Vacuum Bottom prices from NIOC*, 24-29 Jun

Refinery	Volume t	Rials/kg		\$/t	
		Low	High	Low	High
Bandar Abbas	30,000	119,300	119,400	289	289
Esfahan	50,000	119,500	119,700	290	290
Shiraz	10,000	107,900	108,000	261	262
Tehran	15,000	120,600	120,700	292	293
Tabriz	6,000	131,300	131,400	318	318
Abadan	10,000	111,300	111,400	270	270
Arak	10,000	120,500	120,600	292	292

* Exclusive of the 9pc tax for domestic sales and 14pc duty for export sales

Iranian domestic sales through the IME, 24-29 Jun

Grade	Volume t	Price rials/kg
60/70	7,070	124,534-124,838
85/100	0	
Emulsion	0	
PG7016	5,000	124,838
MC250	0	

At least 131,000t of VB was sold this week.

Bandar Abbas refinery sold 30,000t VB at IR119,377/kg, up by IR3,277/kg (\$7.5/t) against the previous week.

Esfahan refinery sold 50,000t of VB at around IR119,613/kg, up by IR9,440/kg (\$21/t) against the previous week. Shiraz Refinery sold 10,000t of VB at IR107,160/kg, up by IR7,830/kg against a week earlier. Arak Refinery sold 10,000t at IR120,593/kg, up IR8,400/kg against week-earlier levels. Tehran Refinery sold 15,000t VB at IR120,687/kg, down by IR4,646/kg against the previous week. Abadan Refinery sold 10,000t VB at IR111,340/kg, up by IR14,430/kg against the previous week. Tabriz refinery resumed activity after a maintenance period, having sold 6,000t at IR131,375/kg.

Iraq

Iraqi prices were steady against last week, with several cargoes sold at \$335-340/t fob Bandar Abbas. Kurdish producers in the country offered bulk material at \$260/t ex-Sulaymaniyah and \$275/t ex-Bashmakh.

VESSEL TRACKING INDICATIONS

Bitumen freight movements						
Vessel name	Owner	Tonnage	Loading port	Discharge port	Current position	ETA
Asphalt Honor	HK SEA STAR INT'L ENERGY CO	46,178	Umm Qasr	Singapore	Mideast Gulf	11-Jul
An Hai Wan	COSCO S.A.S.	6,165	Port Jerome	Eastham, UK	Atlantic	29-Jun
San Bacco	ABC Maritime	4,995	Brunsbüttel	Sandefjord, Norway	North Sea	29-Jun
Ain Zeff	Hyproc Shipping	4,999	Augusta	Oran, Algeria	Med	30-Jun
Iver Best	Iver Ships BV	6,187	Agioi Theodoroi	Port Nador, Morocco	Med	1-Jul
Iver Bitumen	Iver Ships BV	6,586	Augusta	Ghazaouet, Algeria	Med	29-Jun
Bitfjord	ABC Maritime	4,900	Delfzijl	Skelleftehamn, Sweden	Baltic Sea	29-Jun
Bituma	Carnisse BV	4,995	Rotterdam	Eastham, UK	Atlantic	28-Jun
Ping Hai Wan	COSCO S.A.S.	6,115	Port Jerome	Dublin, Ireland	Atlantic	26-Jun
Ning Hai Wan	Ninghaiwan Maritime Co Ltd	6,118	Huelva	Leixoes, Portugal	Atlantic	28-Jun
Acacia Rubra	White Flag Ventures	6,065	Rotterdam	Oxelösund, Sweden	Baltic Sea	28-Jun
Bit Power	Tarbit Shipping	6,712	Hamburg	Gothenburg, Sweden	Baltic Sea	24-Jun
Poestella	Bilsea	8,021	Augusta	Algiers, Algeria	Med	25-Jun
Asphalt Splendor	Marshall Islands / BV	36,962	Agioi Theodoroi	Baltimore, US	Atlantic	8-Jul
Da Ming Shan	FORTUNE TIANHE SHIPPING LTD	12,980	Augusta	Salvador, Brazil	Atlantic	9-Jul
Herbania	DMG	7,066	Tarragona	Alicante, Spain	Med	30-Jun
T. Adalyn	Tupras	14,786	Izmit	Lavera, France	Med	5-Jul
Iver Brilliant	Iver Ships BV	6,239	Augusta	Cadiz, Spain	Med	2-Jul
Lotstella	Lotstella Shipping HK Ltd	7,980	Yeosu	Richards Bay, South Africa	Indian Ocean	12-Jul
Jin Zhou Wan	Cosco Shipping	13,265	Tarragona	Mejillones, Chile	Atlantic	9-Jul
Iver Accord	Iver Ships BV	5,897	Agioi Theodoroi	Djen Djen, Algeria	Med	5-Jul
Asphalt Transporter	Asphalt Transporter Shipping	9,221	Kaohsiung	Newcastle, Australia	South East Asia	8-Jul
Bitumen Shouri	Kallex	3,638	Singapore	Anzer, Indonesia	Selat Karimata	1-Jul
Guang Zhou Wan	Cosco Shipping	13,000	Singapore	Ningbo, China	Zhejiang Province	29-Jun
Janesia Asphalt V	Leo Ocean Pte Ltd	6,057	Singapore	Brisbane, Australia	East Coast Australia	1-Jul
Reem 1	MH Progress Line SA	5,249	Sitra	Hongai, Vietnam	Malaysia	4-Jul
Sheng Hua Wan	Cosco	7,640	Singapore	Dongguan, China	Guangdong Province	30-Jun
Kakusho 3	Toda Ship	3,606	Map Ta Phut	Belawan, Indonesia	Malaysia	3-Jul
LG Asphalt 2	May Tanker Sdn Bhd	5,274	Map Ta Phut	Tanjung Langsat, Malaysia	Malaysia	30-Jun
Tasco Nirand	Tipco Asphalt	4,225	Rayong	Zhenjiang, China	Thailand	8-Jul

NEWS

Italy's regulator probe into API-Exxon deal

Italy's antitrust regulator has opened a probe into the proposed sale of ExxonMobil's Italian subsidiary Esso Italiana to see whether the deal breaches competition rules.

Privately-owned domestic refiner and fuel supplier API signed a binding agreement to buy Esso Italiana's fuels business in December last year, in a deal that would create one of the country's leading fuel retailers and bitumen sellers. Italy's competition authorities, which aim to wrap up their investigation in 45 days, said the planned deal was "capable of significantly obstructing effective competition".

The proposed acquisition, which the two companies had been expecting to close in mid-2023, includes the whole of Esso Italiana's retail fuel service station network across Italy and a 75pc stake in the Sarpom refining joint venture in which API already owns 25pc. Sarpom operates Italy's 126,500 b/d Trecate refinery.

The deal also includes the Genoa, Arluno and Chivasso depots, as well as the company that controls the Naples bitumen depot and a 12.5pc stake in Disma, which runs the aviation fuel depot at Malpensa Milan Airport.

The competition watchdog said the deal would create by far the biggest road fuel retailer in Italy, with a total of 6,536 stations, and could raise the risk of an increase in fuel prices. API currently has a 19pc share of Italy's fuel service station network, while Esso Italiana has 10pc. Italy's Eni, the second-biggest operator, has an 18pc share.

API said the acquisition will create the synergies and cost cuts that will be needed to offset an expected fall in sales volumes caused by higher raw material costs and the introduction of electric vehicles. It said it will also help fund investments needed to meet the energy transition and bankroll the downsizing of its 83,000 b/d Falconara refinery.

API declined to comment on the antitrust probe.

Most Natref units restart, bitumen seen in July

Most units at the 107,000 b/d Sasol-TotalEnergies Natref refinery in Sasolburg, South Africa, have been restarted after planned maintenance work, and the majority of bitumen production and supply is expected by local market participants to resume in the second half of July.

A Sasol spokeswoman said gasoline, diesel, fuel oil and bitumen units at the refinery had been shut for **planned maintenance work** in May and June and that most were now back up, without disclosing further details.

Sasol owns 63.64pc of the Natref refinery and TotalEnergies the remaining 36.36pc.

A leading bitumen trading and supply firm in South Africa said today it had been informed that TotalEnergies' bitumen supply will resume next week, but with limited amounts at first, but Sasol's production and supply of the road paving oil product will only restart around 20 July.

Natref is South Africa's sole bitumen-producing refinery, with no likelihood in the foreseeable future for that to change and the country is increasingly reliant on import cargoes into Durban and Cape Town. These have been high in May and June, mainly from Bahrain and Pakistan, after dramatic year-on-year gains in **South African imports** in the first four months of the year.

Kazakh deliveries to Germany hit 290,000t

Kazakhstan supplied 290,000t (11,600 b/d) of crude to Germany through Russia by pipeline in the first half of this year, according to state-controlled pipeline operator Kaztransoil (KTO).

State-controlled Kazmunaigaz (KMG) recently committed to ship 100,000 t/month (24,000 b/d) of crude to Germany's 226,000 b/d Schwedt refinery through Russia until the end of 2023. Crude is shipped through Belarus and Poland using the Druzhba pipeline system.

Total Kazakh deliveries to Schwedt will be at least 890,000t (6.5mn bl) by the end of 2023, supplied from Kazakhstan's 9bn bl Karachaganak field, KMG says.

Germany stopped Russian crude imports through the Druzhba system from January. KTO has applied to ship 1.2mn t

Argus Bitumen & Bituminous Products Asia Conference

30 November - 1 December 2022

In-person: Singapore & Online Access

Hear from and network with key stakeholders from across the supply chain



Group discounts available
Register now!

www.argusmedia.com/bbpa

Petroleum
illuminating the markets®

NEWS

of Kazakh crude through the Transneft system to Adamowo Zastawa on the Polish-Belarusian border for delivery to Germany. Actual volumes depend on requests from oil companies, it says.

Poland refinery throughput fell in May

Poland's refinery throughput fell by 5pc year on year to 2.27mn t (536,000 b/d) in May, according to the country's statistics office GUS. This was up by 1pc from April in b/d terms.

Refinery runs in the January-May period were 2pc higher year on year at nearly 10.73mn t (521,000 b/d).

Output of products, including diesel and gasoline, rose on the year in May, with production of bitumen recording the strongest growth in a continuation of a rising trend so far this year, hitting 252,000t in May, 52pc higher than in May 2022. From January until May bitumen output was 609,000t, 46pc higher than the same period of last year.

Mol to start maintenance at Szazhalombatta

Hungarian oil firm Mol is planning to shut several units at its domestic 161,000 b/d Szazhalombatta refinery for scheduled maintenance over the next few weeks.

Mol will close the units in stages on 1-16 July, it said, without giving further details. After completing the work, the company expects to resume operations gradually, with the entire restart process to be finished during the last week of August.

Mol previously carried out planned maintenance at Szazhalombatta in May-June. It also completed other works in a separate two-week maintenance programme between mid-April and early May.

The firm had a "heavy turnaround season" in 2022, but it said in February that its maintenance activity is expected to be "more limited" this year. Its Slovakian subsidiary Slovnaft shut some production units at its 115,000 b/d Bratislava plant in Slovakia in June.

BPCL plans partial shutdown at Mumbai refinery

Indian state-controlled refiner Bharat Petroleum (BPCL) plans to partially shut its 240,000 b/d Mumbai refinery from mid-September for maintenance, a company official told Argus on 28 June.

The refiner will shut its crude distillation unit, a fluid catalytic cracking unit (FCCU), a continuous catalytic reformer and a catalytic cracker and gas treatment unit at the refinery.

BPCL will also shut its bitumen unit at the refinery for 15 days starting from 15 August, the official added.

The refiner is also planning to shut an FCCU, a diesel hydro-desulphurisation unit and a vacuum gasoil hydrotreating unit at its 310,000 b/d Kochi refinery from 22 August-2 September.

Meanwhile, a once-in-five years turnaround at its 156,000 b/d Bina refinery is set to begin from 1 July and continue for a period of 40 days, the official said.

BPCL had postponed the Bina refinery turnaround from 15 June as it was helping state-controlled Numaligarh Refinery (NRL) fill a gap in oil product supply to the northeast region during the latter's shutdown since 29 May following a fire.

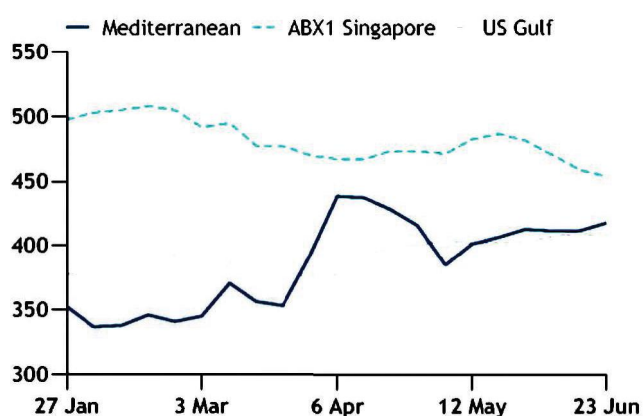
NRL is set to restart its 60,000 b/d refinery in northeast India's Assam state at the end of June.

India's oil product consumption rose by 9pc on the year to 20.03mn t in May, oil ministry data show, supported by Indian motor fuel demand, which rose to a fresh record high in May along with all-time high imports of Russian crude.

India is a net exporter of motor fuels. But state-controlled refiners BPCL, IOC and HPCL account for around 90pc of India's fuel sales and are committed to fulfilling domestic requirements before exporting.

Med v ABX1 v USG (outright waterborne)

\$/t



Argus Asia Bitumen Daily

Argus launches daily price assessments for fob Singapore and fob South Korea from 1 November 2021, adding to the existing weekly benchmark prices.

The new Argus assessments will highlight daily price movements in the Asian bitumen market, enabling industry participants to make more timely decisions on whether to buy or sell.

Argus Asia Bitumen Daily will be provided to Argus Bitumen report subscribers.



For more information, please contact
singapore@argusmedia.com »

Proposed end of several Asia-Pacific bitumen assessments

Argus proposes to discontinue the following price assessments because of changes in market activity.

- South Korea domestic ex-works
- Singapore waterborne drums fob
- Northern Vietnam waterborne drums cfr
- Southern Vietnam waterborne drums cfr

Argus will accept comments on this change up to 30 June 2023. To discuss comments on this proposal, please contact Bohan Loh at bohan.loh@argusmedia.com or +65 9858 9087. Formal comments should be marked as such and may be submitted by email to bitumen@argusmedia.com and received by 30 June 2023. Please note, formal comments will be published after the consultation period unless confidentiality is specifically requested.



Argus Bitumen is published by Argus Media group

Registered office
Lacon House, 84 Theobald's Road,
London, WC1X 8NL
Tel: +44 20 7780 4276
email: sales@argusmedia.com

ISSN:

Copyright notice
Copyright © 2023 Argus Media group
All rights reserved
All intellectual property rights in this publication and the information published herein are the exclusive property of Argus and/or its licensors (including exchanges) and may only be used under licence from Argus. Without limiting the foregoing, by accessing this publication you agree that you will not copy or reproduce or use any part of its contents (including, but not limited to, single prices or any other individual items of data) in any form or for any purpose whatsoever except under valid licence from Argus. Further, your access to and use of data from exchanges may be subject to additional fees and/or execution of a separate agreement, whether directly with the exchanges or through Argus.

Trademark notice
ARGUS, the ARGUS logo, ARGUS MEDIA, INTEGER, ARGUS BITUMEN, other ARGUS publication titles and ARGUS index names are trademarks of Argus Media Limited.
Visit www.argusmedia.com/Ft/trademarks for more information.

Disclaimer
The data and other information published herein (the "Data") are provided on an "as is" basis. Argus and its licensors (including exchanges) make no warranties, express or implied, as to the accuracy, adequacy, timeliness, or completeness of the Data or fitness for any particular purpose. Argus and its licensors (including exchanges) shall not be liable for any loss, claims or damage arising from any party's reliance on the Data and disclaim any and all liability related to or arising out of use of the Data to the full extent permissible by law.

All personal contact information is held and used in accordance with Argus Media's Privacy Policy
<https://www.argusmedia.com/en/privacy-policy>

Publisher
Adrian Binks

Chief operating officer
Matthew Burkley

Global compliance officer
Jeffrey Amos

Chief commercial officer
Jo Loudiadis

President, Oil
Euan Craik

Global SVP editorial
Neil Fleming

Editor in chief
Jim Washer

Managing editor
Andrew Bonnington

Editor
Jonathan Weston
Tel: +44 20 7199 5779
bitumen@argusmedia.com

Customer support and sales:

support@argusmedia.com
sales@argusmedia.com

London, Tel: +44 20 7780 4200

Houston, Tel: +1 713 968 0000

Singapore, Tel: +65 6496 9966



Petroleum

illuminating the markets[®]