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Argus Bitumen

Europe, Africa, Middle East and Asia-Pacific prices and commentary

Incorporating **Argus** *Asphalt Report*

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SUMMARY

Bitumen prices rose from European export points, supported by stronger crude and fuel oil values, but values dropped from Singapore as weak demand from China continued to weigh on the regional market there.

Mediterranean bitumen export prices continued to rise, supported by the sharp recent rises in regional high-sulphur fuel oil (HSFO) values.

But market participants said the large increases in fob Mediterranean HSFO quotations, supported by recent trading activity at much higher prices, meant the arbitrage from the south of Europe to the north of Europe was now much less workable and was also seen in some markets to be pushing bitumen prices higher, when the fundamentals of supply and demand were not suggesting similar strength.

Truck prices were mostly steady across northwest and central Europe, but price increases were seen in Romania and Poland, while there were was more price pressure downwards in north and northeast Germany.

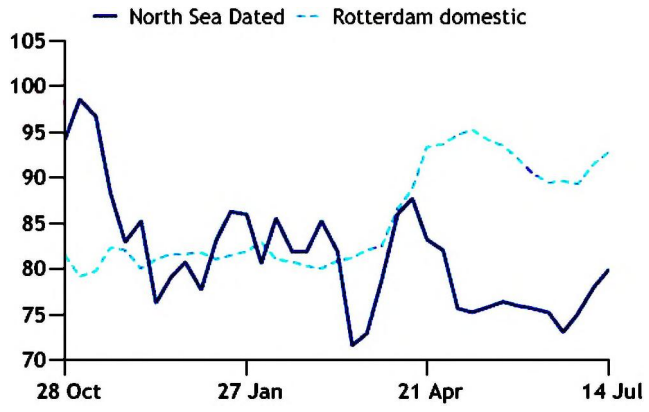
Singapore bitumen prices continued to face pressure from poor regional demand, especially from key consumption market south China.

Bitumen cargo prices rose into west Africa, supported by the recent sharp rise in Mediterranean HSFO values, to which bitumen export prices are typically linked. Prices into east Africa also moved up thanks to a sharp rise in Iranian prices this week, following a long downturn in Iranian bitumen values since late-April.

PRICES

Bitumen prices at key locations, 8-14 Jul		Low	High	$/t ±
Export cargo prices fob				
Mediterranean		470.92	475.92	+15.57
Rotterdam		526.25	531.25	+13.30
Baltic		491.25	496.25	+13.30
Singapore		425.00	432.00	-5.70
South Korea		399.00	408.00	+1.50
Mideast Gulf		292.00	390.00	+8.00
Delivered cargo prices cfr				
North Africa	Alexandria, bulk	533.00	543.00	+19.00
East Africa	Mombasa, drum	418.00	428.00	+15.00
West Africa	Lagos, bulk	699.00	709.00	+14.00
East China coast		460.00	470.00	+10.00
Domestic prices				
Antwerp	ex-works	570	586	+9.00
Southern Germany	ex-works	553	564	+8.00
Hungary	ex-works	592	603	+9.00
Italy	ex-works inc tax	564	575	+25.00
Indonesia	ex-works	650.00	650.00	-2.00
Mumbai	bulk	490.00	494.00	-0.50

North Sea Dated vs Rotterdam domestic $/bl



CONTENTS

Key bitumen prices	1
Map of waterborne bitumen prices	2
Northwest and central Europe	3-5
Mediterranean	6-8
Sub-Saharan Africa	9-10
Asia-Pacific and Middle East	11-15
Vessel tracking indications	16
Bitumen news	17-19

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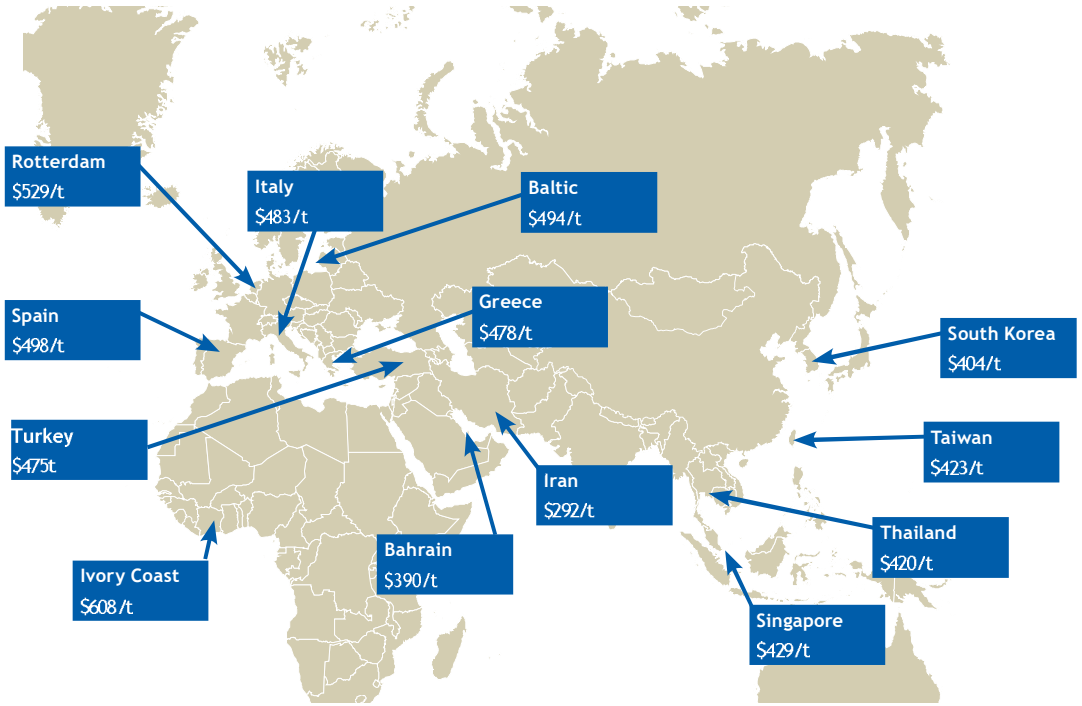
WATERBORNE BITUMEN PRICES, FOB



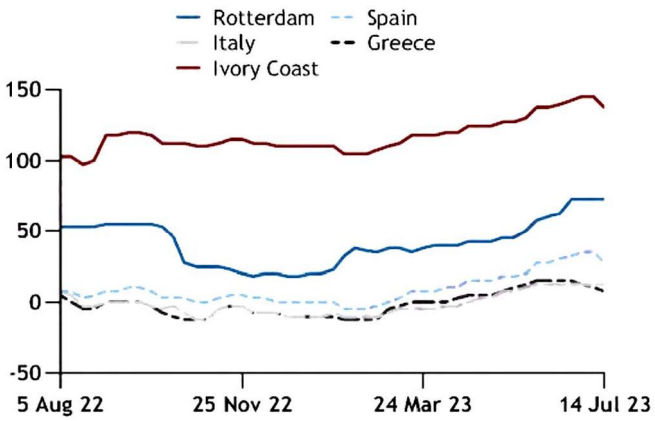
CARGO FLOWS

The 45,986 dwt *Bitu Atlantic*, loaded at Izmir and Izmit in Turkey, is set to arrive at Lome, Togo on 24 July.

The 6,033 dwt *Jane Asphalt*, loaded with US sourced bitumen in a ship-to-ship (STS) transfer from the 36,800 dwt *White Pearl*, will deliver product into Sapele, Nigeria on 16 Nigeria.

The 6,067 dwt *New Grace* moved is moving a cargo from Singapore to Shuidong, China for 20 July delivery.

Waterborne markets, differential to HSFO $/t



Europe and Africa cargo export differentials to HSFO $/t

	Low	High	±
Mediterranean, basis Augusta	+0.67	+5.67	-3.33
Rotterdam, Netherlands	+70.00	+75.00	nc
Baltic	35.00	+40.00	nc
Spain	+25.00	+30.00	-7.50
Italy	+10.00	+15.00	nc
Greece	*5.00	*10.00	-2.50
Turkey	+2.50	*7.50	nc
Ivory Coast	+135.00	*140.00	-7.50

Europe and Africa cargo export differentials to crude

	Differential to Ice Brent $/t	Differential to Ice Brent $/bl	±
Mediterranean, basis Augusta	-126.78	-2.98	-0.94
Rotterdam, Netherlands	-71.45	5.99	-1.30
Baltic	-106.45	+0	-1.31
Spain	-102.45	0.97	-1.61
Italy	-117.45	•1.467	-0.40
Greece	•122.45	-2.28	-0.80
Turkey	-124.95	-2.68	-0.40
Ivory Coast	+8	18.79	-1.61

Bitumen conversion factor t/bt 6.17 Ice Brent conversion bl/t 7.53

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NORTH AND CENTRAL EUROPE MARKET COMMENTARY

Summary

Truck prices were mostly steady across northwest and central Europe, but price increases were seen in Romania and Poland, while there were was more price pressure downwards in north and northeast Germany.

Buyers in central Europe, specifically Poland, have already started to arrange term contracts for the next two years as concerns of security of supply have been raised.

Bitumen demand has been weaker than in previous months as the holiday season has started to pick up.

Fob Rotterdam bitumen cargoes stayed assessed at premiums of around $70-75/t to fob Rotterdam high-sulphur fuel oil (HSFO) barges and fob Baltic bitumen cargo differentials were also unchanged, staying at premiums of around $40/t to fob Rotterdam HSFO barges.

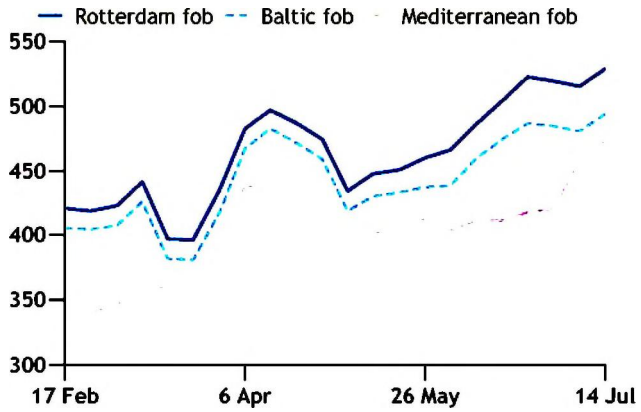
A sharp jump in Meditteranean HSFO pushed these value to a premium to the north meaning the previous arbitrage from south to north Europe now looked much harder to work. Freight rates across the region were assessed $2/t higher thanks to high bunker fuel prices, adding cost to cargo importers in the region, especially in the UK and Nordics.

UK/I reland

The increasingly import reliant UK market continued to draw volumes from mainland Europe.

These included deliveries into Teesport, Newport, Eastham and Belfast. The 6,165 dwt *An Hai Wan*, loaded at Port Jerome, delivered a cargo into Teesport on 11 July and Trafigura's 14,953 dwt vessel, *The Chief*, delivered product into the trading company's floating storage at Newport on 10 July. The 4,995 dwt *Bituma* delivered a Rotterdam-loaded product into Eastham on 9 July before going on to discharge the rest into Dublin three days later. The 6,319 dwt *Bit Force*

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



North and central Europe bitumen prices, 8-14 Jul

	€/t			$/t		
	Low	High	±	Low	High	
Domestic prices, ex-works						
Rotterdam, Netherlands	510	525	nc	564	581	+8.50
Antwerp, Belgium	515	530	nc	570	586	+9.00
Northern Germany	500	510	-5.00	553	564	+3.00
Northeast Germany	485	500	-10.00	537	553	-2.50
Southern Germany	500	510	nc	553	564	+8.00
Southwest Germany	485	495	nc	537	548	+9.00
Western Germany	490	500	nc	542	553	+8.00
Hungary	535	545	nc	592	603	+9.00
Romania	515	530	+20.00	570	586	+30.50
Poland	500	510	+10.00	553	564	+19.00
Czech Republic	460	470	nc	509	520	+8.00
Germany PMB (diff to Germany)	+145	+155	nc	+160	+171	+2.53
Germany PMB	637	658	-3	704	727	+7.53
Export prices, ex-works						
Central Europe bitumen index	483	493	-1.00	534	545	+7.00
Poland-Romania (truck)	495	505	-5.00	548	559	+3.00
Hungary-Romania (truck)	480	490	nc	531	542	+8.00
Serbia-Romania (truck)	485	495	nc	537	548	+9.00
Austria-Romania (truck)	490	500	+5.00	542	553	+14.00
Germany-Poland (truck)	475	485	-5.00	525	537	+2.50
Hungary-Slovakia (truck)	475	485	nc	525	537	+8.50
Poland-Germany (truck)	485	495	+5.00	537	548	+14.00
Czech Republic-Germany (truck)	460	470	nc	509	520	+8.00
Rotterdam (cargo)				526.25	531.25	+13.30
Baltic (cargo)				491.25	496.25	13.30
Domestic prices, delivered						
Southern UK £/t	490	500	nc	635	648	12.50
Northern France	520	530	nc	575	586	+9.00
Central France	520	530	nc	575	586	9.00
Volyn/Lviv region, Ukraine (truck) hryvnia *tt*	27,000	27,500	+750.00	738.34	752.01	20.51

Crude and refined products, 8-14 Jul

	Low	High	Average	±
Ice Brent minute marker week range $/*bl*	78.45	80.61	79.708	+3.46
Fuel oil 3.5%S, fob RMG barge $/t	451.00	460.75	456.250	+13.30
Argus Brent Sour $/*bl*	80.11	80.17		-0.27
Vacuum gasoil 0.5%S cif cargo $/t	595.50	617.25		+23.13

Northern Europe cargo freight rates *$/t*

	Low	High	±
Rotterdam-Thames	42	45	2.00
Hamburg-Thames	52	56	+2.00
Klaipeda-Thames	81	85	*2.00
La Coruna-Thames	62	66	+2.00

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NORTH AND CENTRAL EUROPE MARKET COMMENTARY

discharged bitumen into Belfast on 12 July after loading at Rotterdam three days earlier.

UK delivered truck prices stayed assessed at £490-500/t into southern locations. Prices in the Midlands typically command a £10-15/t premium to storage areas located along the coast.

France

Bitumen prices held steady across France as supply remained more than adequate to meet lacklustre demand, although rising freight costs were a concern for those moving bitumen longer distances in the country,

For some, holidays had already started which further slowed activity on top of stretched budgets for road works, while activity was expected to slow even further through the early part of August, which is usually the peak summer holiday period.

Supply from parts of south and west Germany were also at firm levels which allowed French consumers more than one buying option.

Delivered prices held steady at €520-530/t in both central and northern France, having risen at the start of this month by around €15/t after HSFO rose in June v May.

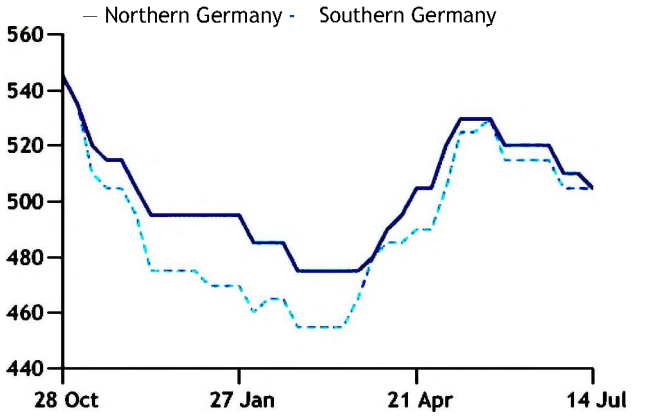
The 4,900 dwt *Bitjjord*, loaded at Rotterdam, delivered a cargo into Nantes on 12 July and the Huelva-loaded 5,897 dwt *Iver Action* delivered a cargo into Bayonne on 13 July.

Benelux

Bitumen prices held steady in the Benelux countries with steady demand and buying and selling ideas in balance.

Activity is expected to slow later this month and into the first two weeks or so of August as holidays kick in for many

Germany: North vs South $/t



and several mixed asphalt plants close for the summer break and to undergo some maintenance.

The 4,232 dwt *Elisabeth J* delivered a Tarragona-loaded cargo into Dordrecht in the Netherlands on 14 July.

Germany

Bitumen prices across Germany were steady to lower in the past week as generally good supply met steady demand.

With refineries in the east of Germany now producing more bitumen as new crude intake comes on stream, including Kazakh crude arriving at the PCK Schwedt refinery, prices came under some pressure there as major supplier fought for market share.

Prices in the northeast were assessed lower at €485-500/t, €15/t lower, while in the north prices also eased lower.

But otherwise in Germany prices were understood to be holding steady on the previous week, albeit with a wide range of prices heard from different suppliers in some regions of the country.

In the west, production from Shell has recovered from lower levels in June with more normal supply from this week.

Poland/Czech Republic

Polish domestic truck prices were assessed €10/t higher at €500-510/t ex-works, while domestic Czech prices stayed assessed at €460-470/t ex-works.

Truck prices from depots at Tarnow and Szczecin in Poland were offering at €525/t ex-works.

One market participant estimated demand is 30pc lower compared to May levels inside the Polish market.

Construction companies have reportedly been scrambling to secure term deals for 2024 and 2025 in order to secure their bitumen requirements due to concerns over future bitumen shortages. The new visbreaker at Plock, which was meant to come online this month, has not come online and its completion date pushed back to an unspecified date. Once the visbreaker comes online, bitumen output will fall substantially inside Poland.

Polish exports to Germany were assessed €5/t firmer at €485-495/t ex-works but continue to make little headway into the market since PCK's Schwedt refinery returned to production. Czech exports to Germany stayed assessed at €460-470/t ex-works.

The latest data from the Czech statistical office showed domestic bitumen consumption was 30,000t in April, down from 43,000t in April last year but up 22,000t from March this year. Cumulative consumption in the first four months of

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NORTH AND CENTRAL EUROPE MARKET COMMENTARY

the year was 73,000t, down from 85,000t consumed in January-April 2022. The country exported 36,000t of bitumen in April, up from 23,000t in April 2022. Around 12,000t went to Austria followed by 11,000t to Germany, 5,000t to Slovakia and 4,000t to Poland. Cumulative exports in the first four months of the year were 112,000t, up 20,000t compared to the same period of 2022.

Ukraine

Ukrainian bitumen consumption remained modest in July owing to variable government spending and poor weather conditions.

Bitumen imports into Ukraine in the first nine days of July reached 6,500t, up by 1,700t over the same period of June.

Export prices from Poland s Orlen Plock held steady at €490-495/t ex-works for pen 50/70 and 70/100 bitumen. Polish supplier Unibitumen also maintained its export prices to Ukraine at €525/t ex-Jaslo.

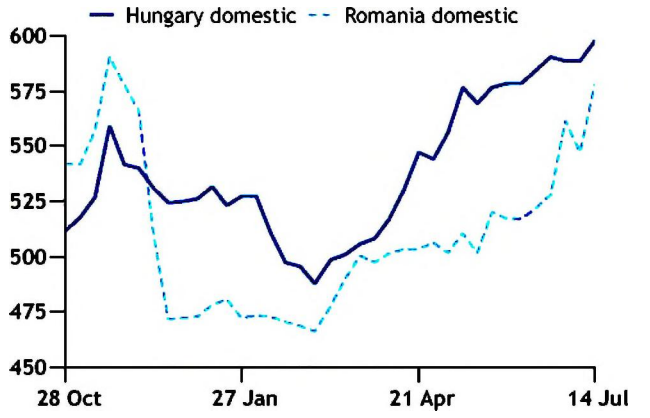
Meanwhile, Vitaro Energy, offered Turkish pen 50/70 bitumen from Romanian terminal in Galati at €530/t ex-works, up by €30/t against the previous week. Ukrainian customers pay a 10pc import duty on Turkish bitumen.

Domestic Ukrainian prices increased as the hryvnia exchange rate weakened against euro.

Ukrainian prices for Polish bitumen in western Ukraine were assessed at 27,000-27,500 hryvnia/t (€661 -673/t) fca up by 700-800 hryvnia/t from the previous week.

Ukrainian produced pen 70/100 bitumen truck values in central regions of the country remained unchanged at 23,000-23,500 hryvnia/t (€563-575/t) ex-works on the week.

Hungary and Romania domestic $/t



Romania/Hungary/Balkans/Austria

Romanian truck prices ex-Rompetrol were assessed €20/t higher at €515-530/t ex-works with cargo importers re-selling at slightly higher levels.

Crude supply through the Druzhba pipeline system are scheduled to be 26pc lower to Hungary in July (see news). Mol said this would have no impact on its bitumen production at the Szazhalombatta refinery.

Hungarian domestic truck prices stayed assessed at €535-545/t ex-works, while exports assessments to Romania and Slovakia were also unchanged at €480-490/t and €475-485/t ex-works respectively.

Greek bitumen is making headway into the Balkan markets with Nis focusing on meeting its domestic requirements and issues with supply from OMV's Schwechat refinery. OMV was offering into the Romanian market at €498/t ex-works. Polish exports to Romania were assessed €5/t lower at €495-505/t ex-works.

Two cargoes were imported into Romanian Black Sea terminals. The 4,881 dwt *My Worry*, loaded at Aspropyrgos, delivered product into Mangalia on 12 July and the 6,300 dwt *Cumhuriyet*, loaded at Izmit, made deliveries into Mangalia and Constanta on 9 and 11 July.

Baltics/Nordics

Various tankers were crossing through the Baltic Sea, including the 4,972 dwt *Bitonia* which moved a cargo from Liepaja to Oulu, Finland on 14 July and the 4,995 dwt *San Bacco*, loaded at Brunsbuttel, which delivered into the same terminal four days earlier.

The 6,719 dwt *Bit Power* moved a short haul cargo from Nynashamn to Norrkoping in Sweden on 13 July and is now heading towards Liepaja to load another cargo.

Truck prices from the Mazeikiai refinery stayed at €500/t ex-works for standard paving grades and €522/t ex-works for softer grades. Demand inside the Baltic states has been strong so far this paving season and has been partly responsible for the lack of spot cargoes available from Liepaja and Klaipeda.

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MEDITERRANEAN MARKET COMMENTARY

Summary

Mediterranean bitumen export prices continued to rise, supported by the sharp recent rises in regional high-sulphur fuel oil (HSFO) values.

But market participants said the large increases in fob Mediterranean HSFO quotations, supported by recent trading activity at much higher prices, meant the arbitrage from the south of Europe to the north of Europe was now much less workable and was also seen in some markets to be pushing bitumen prices higher, when the fundamentals of supply and demand were not suggesting similar strength.

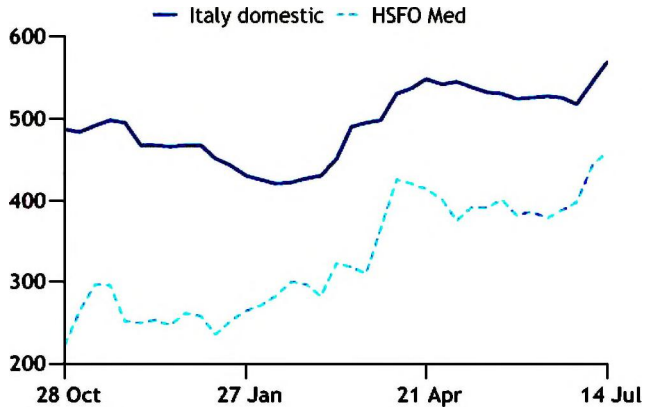
It also put more pressure on some differentials to HSFO too and further highlighted the disconnect seen between bitumen and HSFO values,

Assessed bitumen cargo differentials to fob Mediterranean HSFO were held steady in Turkey and Italy, but shed $2-3/t in Greece to premiums between $5-10/t, Spanish cargo differential premiums to fob Mediterranean HSFO cargoes were assessed $7-8/t lower at around $25-30/t, with a major Spanish refiner understood to be offering near the higher level of that price range.

Fob Mediterranean HSFO cargoes stayed at a $../t premium to fob Rotterdam HSFO barges by 14 July. This coupled with market participants seeing US arbitrage opportunities as difficult to work and weaker demand in west Africa meant there were few outlets for Mediterranean bitumen. Moreover, cross-Mediterranean freight rates were assessed $2/t higher thanks to bunker fuel price increases in recent weeks.

Nonetheless, cargoes will continue to flow from the Mediterranean to northwest Europe as trading companies continue to fulfill their obligations. Vessels continue to make the journey with the 4,232 dwt *Elisabeth J* and 7,673 dwt *Iver Ambassador* moving cargoes to Dordrecht in the

Italy domestic and Mediterranean HSFO fob cargoes $/t



Mediterranean price index			$/t
	Low	High	±
Mediterranean fob (Augusta)	470.92	475.92	+15.57
Differential to HSFO	+0.67	+5.67	-3.33

Mediterranean bitumen prices, 8-14 Jul

	Local currency/ 1			*$/t*		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
Italy, including tax	510	520	+15.00	564	575	+25.00
Southern France (delivered)	500	510	nc	553	564	+8.00
Spain	525	535	nc	581	592	+9.00
Izmit, Turkey	13,729	13,729	+498.00	526	526	+18.00
Izmir, Turkey	13,729	13,729	+498.00	526	526	+18.00
Batman, Turkey	13,729	13,729	+498.00	526	526	+18.00
Kirikkale, Turkey	13,729	13,729	+498.00	526	526	+18.00
Export prices, fob *$/t*	Differential to HSFO					
Italy	-10.00	+15.00	nc	480.25	485.25	+18.90
Greece	+5.00	+10.00	2.50	475.25	480.25	+16.40
Spain	-25.00	+30.00	-7.50	495.25	500.25	+11.40
Turkey	+2.50	*7.50	nc	472.75	477.75	+18.90
Delivered cargo prices, cfr						
Alexandria, Egypt				533.00	543.00	+19.00
Ghazaouet, Algeria				551	561	+14.00
Rades, Tunisia				536	546	+21.00
Economics				Mid		±
Bitumen's value as a fuel oil blendstock $/t				416.192		+15.10

Crude and refined products, 8-14 Jul

	Low	High	Average	±
Fuel oil 3.5% 0.998 fob	465.00	474.75	470.250	+18.90
Basrah Heavy fob Med *$/bl*	75.82	75.88		-0.50
VGO 0.5% west Med cif *$/t*	595.50	617.25		+23.13

Mediterranean cargo freight rates

	Low	High	±
Augusta-Mohammedia	89	92	+2.00
Tarragona-Mohammedia	61	65	+2.00
Augusta-Alexandria	70	74	+2.00
Augusta-Tunis-Rades	56	59	+2.00
Livorno-Tunis-Rades	57	60	+2.00
Tarragona-Gazaouet	57	60	+2.00
Aspropyrgos-Corlnth-Agio Theodori-Alexandria	59	62	+2.00

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MEDITERRANEAN MARKET COMMENTARY

Netherlands and Malmo, Sweden after loading at Tarragona and Izmit. Vitol's 36,819 dwt *Star River* was also crossing the Mediterranean after loading at Agioi Theodori, but its destination was so far unclear.

Truck prices across the region followed HSFO price moves, increasing again week on week except in Spain where they held steady.

Algeria/Morocco/Tunisia

Traders pointed to Morocco and Algeria as locations of strong demand, potentially putting upwards pressure on bitumen prices for grades such as pen 40/50.

One market participant expected Algerian bitumen consumption to be around 60,000t in July.

Higher cross-Mediterranean freight rates have lifted delivered prices into north African locations.

Numerous cargoes continue to feed demand in Algeria.

These included deliveries into Annaba by the 8,476 dwt *Black Shark* and the 4,999 dwt *Ain Ze ft* on 11 and 13 July. The 7,066 dwt *Herbania* delivered a cargo into Port Nador on 8 July after loading at Tarragona two days earlier. The 6,065 dwt *Fuji Lava* discharged product produced at Agioi Theodori into Mohammedia on 11 July. The 6,586 dwt *Iver Bitumen,* loaded at Augusta, delivered product into Dangereux and Gabes, Tunisia on 10 and 13 July.

Egypt/Libya

Libya's 70,000 b/d El Feel oil field was shut down by protesters on 13 July, a day later the 300,000 b/d El Sharara oil field, the country's largest, was disrupted by protesters too.

The protests have occurred in an already tense political atmosphere and any escalation could cause issues with the importation of bitumen.

There no cargo imports into either Egypt or Libya in the week ending 14 July.

By mid-July in 2022, Egypt had imported 226,100t according to Vortexa data. The lack of imports, linked to the country's currency crisis, has put a dent in demand from north Africa. Over 60pc of the imports came from Mersin on Turkey's southern coast but exports from the outlet have slowed dramatically this year.

Spain

Spanish fob cargoes were assessed $7-8/t lower at premiums between $25-30/t to fob Mediterranean HSFO cargoes, reflecting more cargo export availability post municipal elections and strengthening HSFO.

Cargoes were exported from Tarragona and Huelva, feeding demand in the Netherlands and France.

Cargoes were also imported into terminals on Spain's southern coast and the Canary Islands. These included Trafigura's 30,100 dwt vessel, *The Blacksmith,* which delivered product into Cadiz, Spain on 14 July and the 6,123 dwt *Xing Hai Wan* which discharged into Las Palmas on 12 July.

The latest statistics from Spain's strategic reserve body Cores showed consumption of asphalt products was 86,687t in May this year, up 7.7pc from 79,985t April and 6.5pc higher from 81,094t in May 2022. Cumulative consumption of asphalt products in the first five months of the year was 384,913t, up 19.4pc compared to 310,354t consumed in January-May 2022. Market participants have attributed the increase to municipal elections which were concluded at the end of May.

Spanish domestic truck prices stayed assessed at €525-535/t ex-works, after a €25/t increase the previous week.

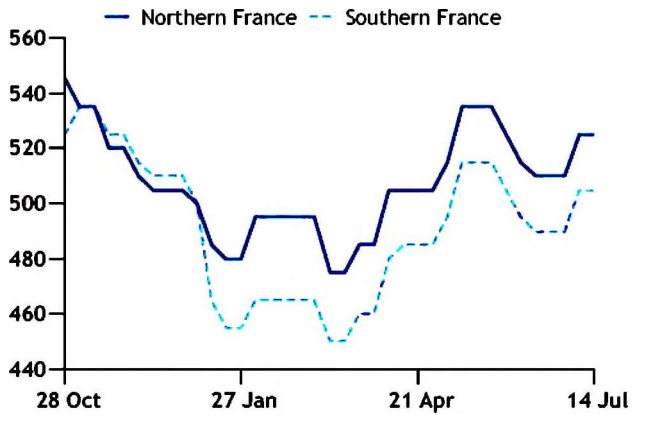
Italy

Italian domestic truck prices were assessed €15/t higher at €510-520/t ex-works, including the €31 /t tax on the sale of bitumen.

Truck prices have rapidly increased in recent weeks, trailing increases seen fob Mediterranean HSFO cargoes. Market participants also said numerous refiners across the country were running low on bitumen stocks with inventories dwindling thanks to various maintenance periods which took place around two months ago.

Demand slowed in response to the higher prices seen this week and last, with many contractors pausing purchases for around two days.

France: North vs South $/t



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MEDITERRANEAN MARKET COMMENTARY

Despite higher fob Mediterranean HSFO cargo prices, fob bitumen cargo premiums stayed in the assessed range of around $10-15/t.

Cargo exports from Italian outlets were slow in the week ending 14 July with no exports seen from Taranto and only two from Augusta. The two exported from Augusta were delivered into north African terminals. The 8,021 dwt *Poestella* was seen loading at Augusta on 14 July.

Greece

Greek fob cargo differentials were assessed $2-3/t lower at premiums between $5-10/t to fob Mediterranean HSFO cargoes.

Only 56,500t of bitumen was exported from MOH's 180,000 b/d Corinth refinery on cargoes via Agioi Theodori in June according to Vortexa tracking data. In the first two weeks of July, exports from Agioi Theodori have surpassed those of June, standing at 91,700t as of 14 July. The lower exports in June can be attributed to the Corinth refinery being under maintenance.

Hellenic issued a new tender for the second half of the month, although no more information could be ascertained by the end of the week.

Bitumen production at the 66,500 b/d Thessaloniki refinery was reported to be around 2,000t a week now, up from 1,500t a month ago. Strong demand from the Balkans continues to draw truck flows from Greece.

According to a Greek government agency, the average domestic truck price for standard paving grades in the week ending 14 July was €487/t ex-works, up €16/t week on week. One market participant indicated truck prices were as high as €500/t ex-works, primarily driven higher by increases in Mediterranean HSFO.

Turkey

Tupras posted its prices at Turkish Lira 13,729/t ($526/t), up TL498/t ($18/t) with effect from 13 July.

The increase comes after the company increased its domestic truck prices by TL 1,558/t ($57/t) the previous week. It was unclear how the rapid increase in prices has impacted Turkish road construction firms' buying appetite, especially since cheaper imports are readily available from cross-border truck flows from Iraq and Iran.

Turkish fob cargo premiums to fob Mediterranean HSFO cargoes stayed assessed at around $5/t.

Ship tracking data from Vortexa showed Tupras exported 135,500t from its refineries at Izmir and Izmit in June. Non-Tupras bitumen exports from Turkey's southern coast made up around a third of Turkey's total exports in June.

Cargo exports in the week ending 14 July were slow although the coming week looked to be busier with the 7,645 dwt *3B Destiny* started loading operations at Mersin on 13 July and the 15,000 dwt *T.Adalyn* seen returning to Izmit to load another cargo after delivering product into Lavera, France on 6 July.

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SUB-SAHARAN AFRICA MARKET COMMENTARY

Summary

Bitumen cargo prices rose into west Africa, supported by the recent sharp rise in Mediterranean high-sulphur fuel oil (HSFO) values, to which bitumen export prices are typically linked. Prices into east Africa also moved up thanks to a sharp rise in Iranian prices this week, following a long downturn in Iranian bitumen values since late-April this year.

Bitumen demand in South Africa remained muted and prices were assessed unchanged, but a steady trickle of cargoes continue to make their way to the country as domestic production remains at low levels.

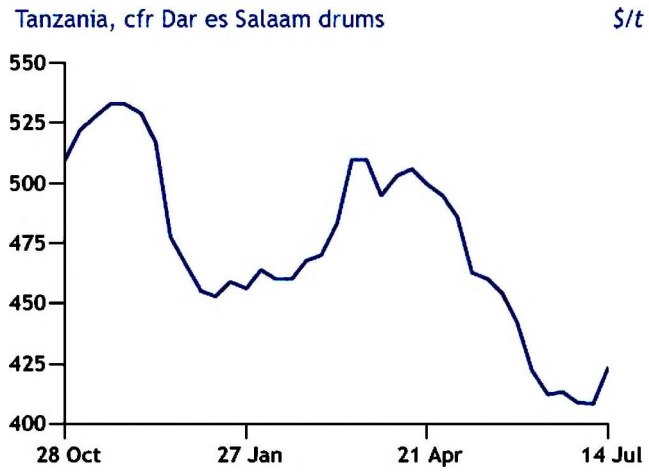
West Africa

Prices for import cargoes into west African terminals were higher thanks to sudden jump in the price of Mediterranean HSFO. At the same time some differentials to HSFO have come under pressure with Spanish and Ivory Coast export cargo premiums to fob Mediterranean HSFO cargoes falling by $7-8/t to $25-30/t and $135-140/t respectively, reflecting more cargo export availability post municipal elections in Spain and the jump in fuel oil.

Import costs also rose modestly on firmer freight rates to west Africa. *Argus* freight assessments increased by $2/t due to higher tanker transport costs, linked to rise fuel oil prices.

Rubis Asphalt's vessel, the 45,986 dwt *Bitu Atlantic*, is moving a large cargo to Lome, Togo. The vessel, loaded Izmir and Izmit in Turkey, is due to arrive in west Africa by 24 July. The vessel will likely discharge product into smaller tankers and into the regional distribution storage at Lome.

Gunvor's 36,800 dwt *White Pearl*, started to engage in ship-to-ship (STS) transfers with the smaller 6,033 dwt *Jane Asphalt* off the coast of Nigeria, near Escravos.



Sub-Saharan Africa bitumen prices, 8-14 Jul

	Local currency/t			$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
South Africa	14,800	15,200 nc		802	824	+16.50
Import/export prices						$/t
Ivory Coast, fob Abidjan (export, cargo)				605.25	610.25	+11.40
Nigeria, cfr Lagos (import cargo)				699.00	709.00	+14.00
Ghana, cfr Takoradi-Tema (import, cargo)				656	666	+14.00
Kenya, cfr Mombasa (import, drums)				418.00	428.00	+15.00
Tanzania, cfr Dar es Salaam (import, drums)				418	428	+15.00

Africa freight rates $/t

	Low	High	±
Abidjan-Lagos-Warri-Port Harcourt (cargo)	74	78	+2.00
Abldjan-Takoradi-Tema (cargo)	51	56	+2.00
Tarragona-Lagos-Warri-Port Harcourt (cargo)	222	232	+2.00
Bandar Abbas/Jebel Ali-Mombasa (drums)	40	50	nc
Bandar Abbas/Jebel Ali-Dar es Salaam (drums)	40	50	nc
Bandar Abbas/Jebel Ali-Djibouti (drums)	95	105	nc

The smaller vessel is set to deliver a cargo into Sapele, Nigeria on 16 July. Demand inside in Nigeria has been slowing ahead of the rainy season, one market participant expected consumption to fall by 20-30pc for the next two to three months, with demand picking up again from October.

The 4,968 dwt *San Biagio*, under long-term time charter with Ivory Coast refinery producer SMB, loaded a cargo at Abidjan on 10 July, but was seen waiting for orders off the coast as of 14 July.

An Africa Development Bank Implementation Progress and Results Report said Ghana's Eastern Corridor Road Development project is on track although there has been some delays'. Ghana's Highway Authority is the executing agency for the project.

Sonatrach said the next cargo delivery into Nouakchott, Mauritania will likely be in August. The Algerian state-owned company last delivered product into Mauritania in March this year aboard the 5,016 dwt *Ras Tomb*.

East Africa

Prices into east Africa generally rose boosted by rising Iranian fob bulk and drummed bitumen exports, which were assessed $16.50/t and $15/t higher at $289-295/t and $370-385/t respectively. Rising vacuum bottom (VB) feedstock prices in Iran supported those increases.

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SUB-SAHARAN AFRICA MARKET COMMENTARY

One Kenyan supplier halted truck sales late in the week, but said they should resume once prices become more stable.

Market participants reported a shortage of IRISL containers on the back of the state-owned Iranian company lowering freight rates in recent weeks. Freight rates to east African locations were unchanged week-on-week.

Market participants in Kenya had been planning to drop their domestic ex-works truck prices thanks to falling container freight rates from the Mideast Gulf, but higher fob Iran cargo prices reversed this position. Currently prices remain around KES 97-98/kg ($690-697/t).

Riots occurred across cities in Kenya in opposition to tax hikes, which include the doubling of the fuel tax. Rioters were seen damaging highways which were built by Chinese contractors.

A 3,000t cargo of 60/70 and 80/100 is set to arrive from the Mideast Gulf into Skytrade Global's Mombasa terminal. The last cargo imported into the terminal arrived in early-June.

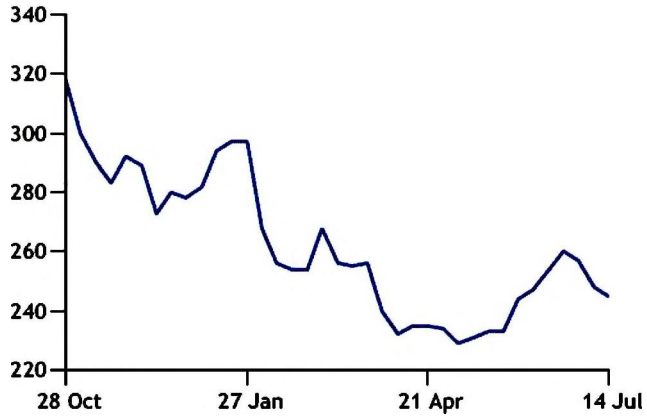
A few bulk trucks were exported from Kenya to Burundi, a country market participants have struggled to make headway into historically.

The freight from Mombasa to Burundi is comparable to that of Sudan thanks to similar geographic distances.

An Africa Development Bank Implementation Progress and Results Report showed progress on the Kigumba-Bulima road link in Uganda was 'substantially complete'.

Import markets Sudan and Ethiopia continue to be quiet with payment difficulties still an unresolved issue. Drum movements to Rwanda also continue to be slow but one market participant said some funds for road construction could become available next year, increasing demand.

West Africa cargo cfr- Med HSFO fob cargoes



South Africa

Bitumen demand remained slow in South Africa during its usual seasonal slowdown, although some import cargoes were heading there this month.

Domestic bitumen prices were assessed steady in a Rand14,800-15,200/t range, although prices from different suppliers were also at higher and lower levels than the assessed range.

One local supplier was at R15,630/t for its July domestic price, with most suppliers steady to lower when prices were decided at the start of July.

The 107,000 b/d Natref refinery was back up after planned May-June maintenance work, with supply resumption expected from the second half of July.

South Africa remains in its winter low season, but there was still some work to be done, keeping suppliers active.

Low domestic production has meant the country is much more reliant on import supplies. Total cargo imports into South Africa were around 94,000t in the first half of 2023, over twice the level seen in the fist half of 2022.

The 15,000 dwt *Bitu River* is set to deliver Greek bitumen into Durban on 16 July. The *Bitu River* had been loaded in a ship-to-ship operation with the larger 45,974 dwt *Bitu Express*, off the coast of Togo at the end of June. The larger vessel had originally loaded at Agioi Theodori. The 12,780 dwt San Du Ao, also loaded Agioi Theodori, is still en route to Durban for 24 July delivery having now passed the Horn of Africa. Bitumen from Greece has made the most headway in the South Africa import market, followed by Bahrain, Pakistan and Turkey this year.

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ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Singapore

Singapore bitumen prices continued to face pressure from poor regional demand, especially from key consumption market south China.

But prospects of higher production costs, the result of firmer crude levels, encouraged some producers to resist the slide in bid ideas as the weekend approached. The spike in Iranian bitumen prices mid-week reduced the discount against Singapore material, removing some of the incentives for regional markets to turn away from Singapore suppliers.

The weekly Singapore ABX 1 was assessed at $428.50/t on 14 July, down by $5.70/t against $434.20/t on 7 July. The daily Singapore ABX 1 started off the week at $427.50/t and held steady until it rose to $432.50/t on 14 July. At least two late July-August loading Singapore origin 3,000-4,000t cargoes were sold at cfr prices that would net back to around $420-430/t fob this week, although one of the cargoes accounting for the lower end is loading too prompt to be included in the *Argus* index.

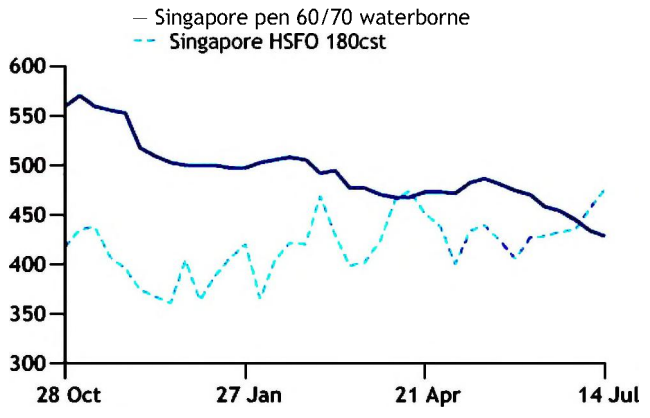
On the *Argus* Open Market (AOM) platform on 14 July, trading firm Trafigura bid at $425-440/t fob for a 3,000t Singapore origin cargo loading on 2-6 August inclusive of demurrage terms. There were no offers on AOM.

Singapore tank trucks were sold to Malaysia at around $457-463/t ex-refinery, against $460-468/t last week. Truck prices continued to slide under pressure from a combination of poor demand and high inventories.

Malaysia

Malaysian domestic consumption was showing signs of gradual improvement as roadworks gain some traction because of electoral promises, although this was partly offset by wet weather.

Singapore pen 60/70 and HSFO cargoes $/t



Asia bitumen prices, 8-14 Jul

	Local currency/t			$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
South Korea	847,170	879,308	-15,631.00	659	684	nc
Mumbai, India	40,360	40,660	nc	490.00	494.00	-0.50
Mumbai (drums)	49,660	50,560	nc	603	614	-1.00
Thailand	23,849	23,849	-203.00	685	685	nc
Indonesia	9,810,000	9,810,000	nc	650.00	650.00	-2.00
Singapore	662	669	-7.00	495	500	nc
Sing-Malaysia ex-ref	611	619	-12.50	457	463	-4.00
Japan	79,200	79,200	nc	565	565	16.00
East China	3,800	3,900	+75.00	528	542	+13.50
South China	3,730	3,850	-5.00	518	535	+2.50
Waterborne, fob						
Iran				289.00	295.00	+16.50
Iran (drums)				370	385	+15.00
Bahrain	147	147	nc	390	390	nc
Singapore	568.00	578.00	-14.00	425.00	432.00	-5.70
Singapore (drums)	729	738	-17.00	545	552	-6.50
Thailand	14,459	14,807	-37.00	415	425	+2.50
South Korea	512,930	524,500	7,429.00	399.00	408.00	+1.50
Taiwan	13,100	13,256	-2.00	420	425	nc
Waterborne, *cfr*						
North China coast	3,347	3,383	+51.00	465	470	+10.00
East China coast	3,311	3,383	+51.00	460.00	470.00	+10.00
South China coast	3,383	3,419	+40.00	470	475	+8.50
Northern Vietnam (drums)				418	584	4.50
Southern Vietnam (drums)				413	579	4.50
Economics					Mid	±
Bitumen's value as fuel oil blendstock, Singapore					419.055	14.57

Asian Bitumen Price Index

	Index	±
ABX 1 fob Singapore	428.50	-5.70
ABX 2 fob South Korea	403.50	+1.50
Monthly Average (contract)		
Contract	Jun 23	May 23
ABX1	458.13	479.77
ABX 2	409.75	419.09

Fob Mideast Gulf Price

	Low	High	±
Mideast Gulf fob ($/t)	292.00	390.00	+8.00

Crude and refined products, 8-14 Jul

	Low	High	±
Dubai fob Dubai *$/bl*	78.14	81.83	+3.81
Banoco Arab Medium *$/bl*	80.13	83.80	+3.58
Fuel oil HS 180cst fob Singapore $/t	462.00	476.00	+18.25
Fuel oil HS 380cst fob Singapore *$/t*	462.00	479.50	+22.13
Gasoil 0.5% fob Singapore *$/bt*	95.55	99.25	+4.78

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ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Listed prices for Malacca fell to around 2,250-2,300 ringgit/t, against 2,280-2,300 ringgit/t last week. Ex-Tanjung Langsat prices were at around $465-468/t. Ex-Port Klang prices were about 2,220-2,250 ringgit/t. Trucks delivered into Johor fell by 25 ringgit/t to about 2,250 ringgit/t.

Indonesia

Indonesian demand showed moderate gains this week, mostly in the Java region.

An August-loading 2,000-3,000t Singapore origin cargo was bid at around $420-425/t fob by an Indonesian buyer, against an offer at $430-435/t fob. News of any related transaction was slow to emerge.

Some participants said they expect Indonesia's consumption to start recovering in earnest over the coming weeks.

Thailand

Thailand's seaborne supplies shrunk this week after some producers cut output in response to sluggish demand, giving some price support after a recent slump.

At least one August-loading Thai-origin cargo was offered to a southeast Asian destination at a cfr price which participants estimated would net back to around $415-420/t fob. No related transaction was reported to *Argus*.

Vietnam

Demand from the northern half of Vietnam fared better than the wetter south as roadworks typically require drier conditions to thrive. Vietnam-based consumers are increasingly centered on the rising availability of cheaper Middle-east origin cargoes. This has reduced Vietnam's appetite for Singapore material.

Discontinuing Asia-Pacific bitumen price assessments

Following consultation, *Argus* will discontinue the following Asia-Pacific bitumen price assessments, with the final prices to be published on 14 July:

South Korea domestic ex-works

Singapore waterborne drums fob

Northern Vietnam waterborne drums cfr

Southern Vietnam waterborne drums cfr

Bitumen freight, 8-14 Jul

Singapore-east Australia	160	170	nc
Singapore-west Australia	115	125	nc
Singapore-Gresik, Indonesia	38	42	+1.50
Singapore-north Vietnam	55	60	-2.50
Singapore-south Vietnam	37	45	-1.50
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	40	45	-5.00
South Korea-east China	32	40	nc
South China-Haiphong, Vietnam	45	50	nc

At least two 2,500-3,500t Singapore origin cargoes loading in end July to August were sold at $470-480/t cfr Vietnam. There were indicative bids at $410-425/t fob for July-August Singapore cargoes from Vietnamese importers.

South Korea

The weekly South Korean ABX 2 was assessed at $403.50/t on 14 July, compared with the daily at $415/t.

There was a tender by a key South Korean refinery to sell at least 10 August-loading 5,000t cargoes at a discount of around $20-30/t to prevailing high-sulphur fuel oil (HSFO) prices on 13 July, according to participants.

The increase in the value of the Chinese yuan against the dollar later in the week boosted Chinese price ideas for South Korean material by reducing import costs. A key east-China importer said that the gradual improvement in consumption from that part of the country could support more enquiries for South Korean cargoes.

China

East and south China's ex-works prices were 3,850 yuan/t ($539.15/t) and Yn3,790/t on 14 July, up by Yn75 and down by Yn5 against week-earlier levels.

South China's inventory levels were as high as 58pc, compared with just 40pc in the east, according to estimates by market participants. South China is a key traditional destination for Singapore cargoes, and persistently weak demand here could have a material impact on Singapore prices.

There is market talk that a major Chinese producer could start raising ex-works prices significantly in the coming week

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ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

because of higher crude oil values, according to market participants, although this could not be verified.

Taiwan

Taiwan's spot prices held steady at $420-425/t fob, unchanged from last week.

Australia & New Zealand

Demand for bitumen in the Oceanic countries slowed this week, owing to the winter-season lull and relative inactivity at the start of a new financial year.

India

Indian demand remained poor because of the monsoon season that typically disrupts roadworks, with relatively high inventories not helping much.

Indian state-owned refineries are scheduled to release listed prices for VG10, VG30 and VG40 bulk and drummed bitumen cargoes for the upcoming fortnight starting on 16 July.

Bahrain

Listed seaborne bitumen prices in Bahrain were unchanged at $390/t fob Sitra. A handful of Bahraini tank truck cargoes were sold into Yemen this week. Bahrani cargoes remained uncompetitive compared with some Middle-east origins.

Iran

Activity in the Iranian market slowed as a spike in asking prices quelled enquiries.

Iranian producers raised offers of bulk material by $20-25/t because of upward cost pressure from higher vacuum bottom (VB) feedstock prices and a stronger rial against the dollar. Many prospective buyers took to the market sideline to observe if prices would gain further.

Demand from markets in different parts of Asia was hampered by adverse weather conditions, which looks set to cut demand for prompter-loading supplies.

At least four vessels carrying 21,000t of prompt-loading bulk cargoes were sold at $270-283/t fob Bandar Abbas, up by nearly $7/t on the top range against week-earlier transactions. Bid-offer levels were around $285-330/t as the week-end approached. Some of the stocks from previous batches of inventories were discussed lower at $285-295/t fob.

Truck-delivered bulk offers rose to IR148,000-152,000/kg ($333/t) ex-Esfahan for Pakistan this week, keeping trade muted.

At least 29,000t of Iranian drummed cargoes were sold at $360-375/t fob, with offer prices spiking to $380-400/t by the week's end in a tightly supplied market. Jey embossed cargoes were offered at $390-415/t fob. Some private sector producers are considering lower prices of $375-385/t to clear previously held stock.

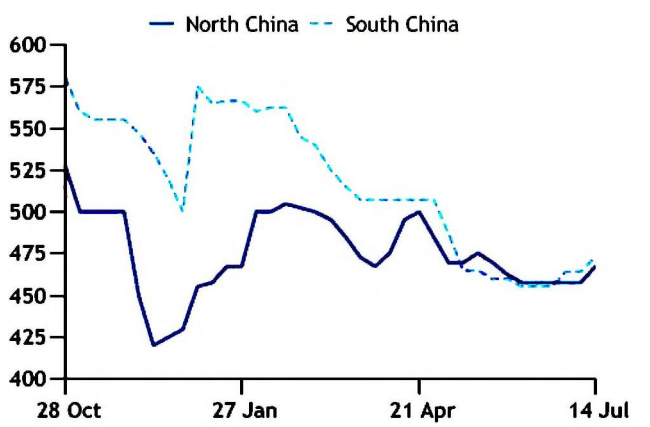
Some buyers took positions for September delivery headed to Africa, India, and China. This was due to the expectation of higher crude oil and HSFO prices in the coming months. In addition, there was a rise in demand after the monsoons.

At least 1,000t of Iranian jumbo bags were sold at $394/t cfr Ho Chi Minh Vietnam, which participants estimated

Australia import cargo prices, 8-14 Jul			$/t
	Low	High	±
Thailand fob (Class 170)	439	449	-5.00
Thailand fob (Class 320)	444	454	-5.00
Singapore fob (Class 170)	442	452	-5.00
Singapore fob (Class 320)	444	454	-5.00

Mideast Gulf to India freight rates			
	Low	High	±
Bandar Abbas/ Nhava Sheva (drums)	10	11	-1.00
Bandar Abbas/ Mundra (drums)	10	11	-1.00
Bandar Abbas/ Haldia (drums)	45	46	-1.00
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

Delivered cargoes: North and South China $/t



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ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Iranian export sales through the IME, 8-13 Jul

Grade	Seller		Packing	*Price ria ls/kg*	Destination
Pen 60/70	Oxin Tejarat	7,000	Bulk	125,752	Export by ship fob Bandar Abbas
Pen 85/100	Negin Fakhr Azarbaijan	2,000	Bulk	126,082	Export by truck ex-Tabriz
Pen 85/100	Akam Bitumen	3,485	Bulk	125,752	Export by truck ex-Delijan
Pen 60/70	Palayesh Oil Tabriz	2,000	Bulk	143,289	Export by truck ex-Tabriz
Pen 60/70	Petro Kata Hegmatan	5,000	Bulk	126,082	Export by ship fob Bandar Abbas
Pen 60/70	Petro Ayegh Spadana	1,000	Bulk	125,752	Export by truck ex-Esfahan
MC70	Asayesh Ghir Delijan	1,000	Bulk	125,000	Export by truck ex-Delijan
Pen 60/70	Shim! Tejarat Naghsh Jahan	2,000	Drum	138,000	Export by truck ex-Esfahan
Pen 60/70	Hamoon Gostar	1,600	Bulk	126,082	Export by truck ex-Mashhad
Pen 60/70	Rahyar Gostar Novin	1,000	Bulk	126,082	Export by truck ex-Qazvin
Pen 60/70	Kane Araye Zarin	5,000	Bulk	126,082	Export by truck ex-Esfahan
Pen 60/70	Pasargad Oil	14,450	Bulk	148,500	Export by ship fob Bandar Abbas
Pen 60/70	Jey Oil	4,000	Drum	177,000	Export by truck ex-Esfahan
Pen 60/70	Jey Oil	7,000	Bulk	144,000	Export by ship fob Bandar Abbas
Pen 60/70	Jey Oil	6,000	Bulk	152,090	Export by truck ex-Esfahan
Pen 60/70	Reyouniz Artan	13,930	Bulk	126,082	Export by truck ex-Esfahan
Pen 60/70	Palayesh Bitumen Pars	3,000	Bulk	126,082	Export by truck ex-Esfahan
Pen 60/70	Kasra Bitumen Refinery	3,000	Drum	143,182	Export by ship fob Bandar Abbas
Pen 85/100	Kimia Ghir Jey	2,000	Drum	141,182	Export by ship fob Bandar Abbas
Pen 60/70-Ac40	Spadana Bitumen	7,000	Bulk & Drum	125,752-142,852	Export by ship fob Bandar Abbas
Pen 60/70	Bitumen Hormoz Pars	4,500	Bulk	125,752	Export by ship fob Bandar Abbas
Pen 60/70	Parsian Energy	30,000	Bulk	126,082	Export by ship fob Bandar Abbas
Pen 60/70	White Gold	9,000	Bulk	138,000	Export by ship fob Bandar Abbas
Pen 60/70	Petro Lazak	3,100	Bulk	126,082	Export by truck ex-Esfahan
Pen 60/70	Parmis Delijan	5,000	Drum	137,482	Export by truck ex-Delijan
Pen 60/70	Arka Refining	700	Bulk	126,082	Export by truck ex-Tabriz
Pen 60/70	Behin Taqhtir Aras	750	Bulk	126,082	Export by truck ex-Aras
Pen 60/70-Pen 160/220	Asia Palayesh Aras	800	Bulk	126,082	Export by truck ex-Aras

would net back to $360t fob. Freight is estimated at $675/container ($33.70/t). A supplier offered bulk bitumen on flexi tanks for $355/t fob, around $5-10/t less compared with jumbo bags.

Trade was active on the Iran Mercantile Exchange. Pasargad Oil sold 14,450t of pen grade 60/70 bulk material at IR148,500/kg ($315/t) fob Bandar Abbas.

Jey Oil sold 7,000t of pen grade 60/70 in bulk at IR144,000/kg ($313) fob Bandar Abbas and 6,000t of pen grade 60/70 in bulk at average IR152,090/kg from Esfahan, as well as 4,000t drum cargo at IR177,000/kg ($395/t) ex-Esfahan.

Iran's local market

VB feedstock prices continued to gain because of firm consumption from bitumen producers as well as higher crude and HSFO levels.

At least 150,000t of VB was sold this week, compared with 339,840t of registered demand on the IME.

Bandar Abbas refinery sold 50,000t VB at IR139,122/kg, up by IR10,508/kg ($24.5/t) from the previous week.

Esfahan refinery sold 50,000t of VB at around IR136.334/kg, up by IR16,768/kg ($39/t) against the previous week. Shiraz Refinery sold 7,000t of VB at IR123,484/kg, up by IR9,209/kg ($21.5/t) from a week earlier. Arak Refinery sold 15,000t VB at IR133,700/kg, up IR10,613/kg against week-earlier levels. Tehran Refinery sold 12,000t VB at IR125,404/kg, up by IR4,395/kg against the previous week. Abadan Refinery sold 10,000t VB at IR120,740/kg, up IR7,377/kg against the previous week. Tabriz Refinery sold 6,000t at IR132,787/kg, up by IR1,437/kg week on week.

Just 450t bitumen was sold at IR132,475/kg ($308/t) on the IME for domestic consumption.

Iraq

Iraqi bitumen prices rose on the combination of tighter supplies and rising crude oil levels. Iraqi producers raised their asking prices to $365-370/t against $340-350/t last week.

At least 3,000t of drummed shipment was sold at $355-360/t fob Bandar Abbas by a Kurdish supplier.

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ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Iraqi materials were more competitively priced than Iranian supplies as some producers in the earlier hesitated to raise asking prices despite relatively firm demand.

A large producer in south Iraq sold at least 1,800t of VG30 drums at $345/t fob Umm-Qasr port. But this supplier ceased all offers to observe whether prices could rise any further.

Iranian Vacuum Bottom prices from NIOC*, 8-13 Jul

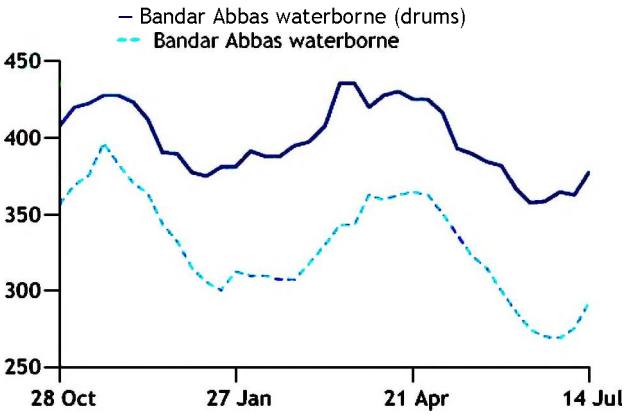
Refinery	Volume *t*	Rials/kg		$/t	
		Low	High	Low	High
Bandar Abbas	50,000	139,100	139,200	337	337
Esfahan	50,000	136,300	136,400	330	331
Shiraz	7,000	123,400	123,500	299	299
Tehran	12,000	125,300	125,500	304	304
Tabriz	6,000	132,700	132,900	322	322
Abadan	10,000	120,700	120,800	293	293
Arak	15,000	133,700	133,700	324	324

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

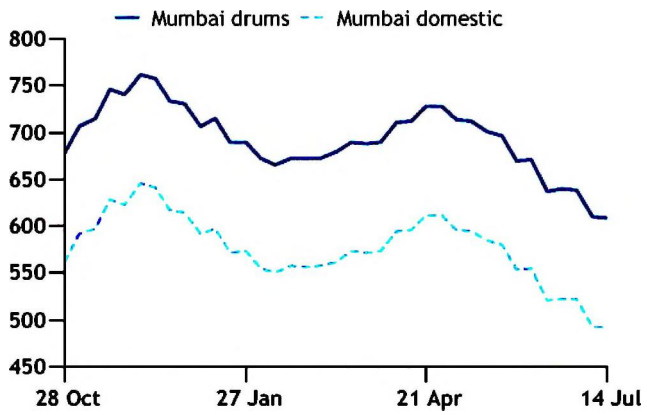
Iranian domestic sales through the IME, 8-13 Jul

Grade	Volume t	*Price rials/kg*
60/70	0	
85/100	0	
Emulsion	0	
PG6422	450	132,475
MC250	0	

Bandar Abbas: drums and bulk $/t



India domestic v drum $/t



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VESSEL TRACKING INDICATIONS

Bitumen freight movements

Vessel name	Owner	Tonnage	Loading port	Discharge port	Current position	ETA
An Hai Wan	COSCOSAS	6,165	Port Jerome	Teesport, UK	North Sea	11-Jul
Bitfjord	ABC Maritime	4,900	Rotterdam	Nantes, France	North Atlantic	12-Jul
Elisabeth J	ABC Maritime	4,232	Tarragona	Dordrecht, Neth-erlands	English Channel	14-Jul
Bit Force	Tarbit Shipping	6,319	Rotterdam	Belfast, UK	Irish Sea	12-Jul
Bitonia	Frederi Beta	4,972	Liepaja	Turku, Finland	Baltic Sea	14-Jul
San Bacco	ABC Maritime	4,995	Brunsbuttel	Oulu, Finland	Baltic Sea	10-Jul
Asphalt Splendor	Marshall Islands / BV	36,962	Agio! Theodoroi	Baltimore, US	US East Coast	11-Jul
Bitu Atlantic	Eres	45,986	Izmir/Izmit	Lome, Togo	North Atlantic	24-Jul
The Blacksmith	Puma	30,100	Izmir	Cadiz, Spain	Med	14-Jul
Iver Action	Iver Ships BV	5,897	Huelva	Bayonne, France	North Atlantic	13-Jul
Iver Bitumen	Iver Ships BV	6,586	Augusta	Dangereux & Gabes, Tunisia	Med	12-Jul
My Worry	Sebat Denizcilik Tasimacilik	4,881	Aspropyrgos	Mangatia, Romania	Black Sea	12-Jul
Cumhuriyet	Tupras	6,300	Izmit	Mangalia & Con-stanta, Romania	Med	11-Jul
Ain Zeft	Hyproc Shipping	4,999	Augusta	Annaba, Algeria	Med	13-Jul
Black Shark	Mediterranea di Navlgazione	8,476	Agioi Theodoroi	Annaba, Algeria	Med	11-Jul
Xing Hai Wan	COSCOSAS	6,123	Aspropyrgos	Las Palmas, Canary Islands	North Atlantic	12-Jul
Fuji Lava	Asphaltos	6,065	Agioi Theodoroi	Mohammedla, Morocco	Med	11-Jul
The Blacksmith	Puma	30,100	Izmir	Cadiz, Spain	Med	14-Jul
Jane Asphalt	Arkville Corp	6,033	STS (Nigeria)	Sapele, Nigeria	WAF	16-Jul
Da Tai Shan	FANGCHENGGANG SOUTHWEST MARITIME LTD	7,843	Singapore	Dongguan, Humen	Singapore	22-Jul
Guang Zhou Wan	Cosco Shipping	13,000	Singapore	Ningbo, China	Java Sea	20-Jul
Hanyu Empire	Hanyu	6,012	Ulsan	Daesan, South Korea	South Korea	17-Jul
Harapan Baru	Nippon Gas Line	6,067	Malacca	Kuching, Malaysia	Indonesia	14-Jul
JS Jiangyin	Jisung Shipping Co., Ltd.	7,507	Ulsan	Penglai, China	Shandong Province	15-Jul
New Grace	Nippon Gas Line	6,067	Singapore	Shuidong, Maoming	Indonesia	20-Jul
Ocean World	National Bitumen Corporation	5,927	Ulsan	Donghae, South Korea	South Korea	14-Jul
Ryoumei Maru	Koyokuyu Shipping	1,226	Yokkaichi	Hakata, Fukuoka, Japan	Hakata, Fukuoka	14-Jul
Tasco Tara	TIPCO MARITIME CO. LTD	12,689	Yeosu	Zhangjiagang, China	Shanghai Province	13-Jul
VP Asphalt 1	VP Petrochemical	3,102	Shuidong	Haiphong, Vietnam	Vietnam	14-Jul

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Iran exports more jumbo bag bitumen cargoes

Bitumen suppliers from key export origin Iran are adapting to rising demand from east Asia for jumbo bag cargoes in recent months because of logistical cost advantages compared with bulk and drums.

This has in turn placed pressure on prices in key supplier Singapore.

The weekly Singapore ABX 1 was last assessed at $428.50/t on 14 July, the lowest since last January before the Russia-Ukraine conflict pushed prices to a record high in July that year. The ABX 1 has fallen steadily for the past two months because of poor demand in many parts of Asia-Pacific, further complicated by significantly cheaper Iranian bulk bitumen assessed at $292.50/t on 14 July.

Some importers in east Asia are expanding the Iranian discount further by switching to jumbo bags. Iranian suppliers are exporting around 60,000-70,000 t/month in the form of jumbo bags, compared with the more typical 10,000-20,000 t/month a few months ago, according to estimates provided by participants. Iran exported an average of 448,000 t/month for January-May, according to *Argus* calculations using GTT data. An official breakdown of jumbo bag volume is not available.

Some Iranian bulk and drummed cargoes were offered last week at $440-470/t and $375-405/t cfr basis to markets including China and Vietnam, compared with $355-400/t cfr for jumbo bags. Packaging costs for jumbo bags are around $10/t less compared with steel drums, participants said. The flexible nature of jumbo bags also mean that a greater volume could be packed in a container compared with drums. An Iranian supplier told *Argus* that they can squeeze 24.5t of bitumen packed in jumbo bags within a 20 feet container, compared with just 20t for drums, resulting in greater logistical efficiency. It typically costs around $170-200/t to ship bulk cargoes to east Asia, according to prevailing freight rates.

"Vietnamese importers are increasingly looking at jumbo bag cargoes from the Middle East," a representative from an international trading firm said. "I estimate that the volumes they are buying have doubled in recent months."

Some Iranian producers may have reached their maximum capacity to supply jumbo bags for now. The process of packing bitumen into jumbo bags can be time consuming and involves compliance with the government's strict safety regulations. But some Iranian producers told *Argus* that they can consider investing in additional jumbo bag capacities to as much as 100,000 t/month in the months ahead if the demand uptrend continues.

Ukraine maintained bitumen imports in June

Ukraine's bitumen imports rose slightly in June to 16,200t, up by 200t from May, according to market participants. But government spending limitations continue to limit investment in the war-torn country.

Poland remained the largest supplier of pen 50/70 and 70/100 bitumen into Ukraine last month, but deliveries across the Polish-Ukrainian border in June dropped by 2,400t to 10,200t.

Trucked imports of Greek and Turkish pen 50/70 product over the past month hit 3,820t, up by 27pc from May.

Lithuania increased its June supplies of pen 70/100 bitumen into Ukraine to 1,285t from only 50t in May.

Ukrainian trading companies last month continued to deliver small, trucked volumes of product from Hungary and Bulgaria.

Overall bitumen imports into Ukraine in January-June were 51,500t, up from 7,400t over the same period last year. Poland accounted for the largest volume of supplies into Ukraine, selling 42,000t or 81.6pc of total Ukrainian bitumen imports in the first half of the year.

Schwedt refinery submits funding application

The 226,000 b/d Schwedt refinery's management has submitted its funding application for the refurbishment of the Rostock-Schwedt crude pipeline to the German ministry for economic affairs and climate action (BMWK).

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Germany's government had previously allocated €400mn ($445mn) for the refurbishment of the pipeline, which connects the refinery in the country's east to the port at Rostock. The refinery, which had been supplied with Russian Urals crude since it opened, will also be remodelled to facilitate the refining of non-Russian crude, according to managing director Ralf Schairer.

EU approval must first be granted as the funds would benefit a private company. Negotiations can start now that the refinery's management has submitted its application.

Schwedt has received 55pc of its crude capacity via Rostock since the beginning of the year, and the refurbishment would make it possible for Rostock to increase this to 80pc of its capacity within three years. The refinery also receives crude from Kazakhstan and seaborne imports via Gdansk in Poland. Schwedt reached a utilisation level of 72pc in June for the first time this year.

Main shareholder Rosneft Deutschland, which holds a 54.17pc stake in the refinery, was placed under federal trusteeship in September 2022. The trusteeship was extended for another six months in March and is now due to expire on 15 September. A change to the Energy Security Act would enable the government to sell Rosneft's stakes in the refinery as long as it is under the trusteeship. Another extension would theoretically be possible, BMWK told *Argus*. BMWK declined to comment on whether the government plans to sell Rosneft's shares.

Proposed changes to the AOM platform for Asian bitumen

Argus proposes changes to the timing and loading period of the *Argus* Open Markets (AOM) platform for Asian bitumen.

Timing

Argus proposes to shorten the operating hours of the AOM platform for Asian bitumen to 3:30pm-4:30pm Singapore time on Friday.

Loading period

The loading period will be five days, entered at the time a Bid or Offer is placed, to be subsequently narrowed to three days by the seller at least seven calendar days before the start of the loading period.

Argus will accept comments on this proposed change until 11 August. To discuss comments on this proposal, please contact Bohan Loh at bitumen@argusmedia.com or +65 9858 9087.

Atlantic basin HSFO supply may tighten further

High-sulphur fuel oil (HSFO) supply has tightened in northwest Europe, with falling imports and firm demand, and any reprieve is unlikely to come from the US where availability is scarce.

The Mediterranean region has been the main supplier of HSFO to northwest Europe this month, accounting for around 71pc of all imports according to Vortexa data, up from 17pc in June. But Mediterranean refiners may begin to cut HSFO production in favour of bitumen to meet rising demand for the latter during its peak summer season, which could hamper availability for northwest European buyers.

That flow could also receive a blow from eroding arbitrage economics. Argus has assessed the spread between a HSFO fob barge in Rotterdam and its west Mediterranean cargo counterpart at a $14/t discount since 7 July, its weakest since October 2022.

Tightening supplies have coincided with firming demand east of Suez. Seasonal HSFO demand for power generation purposes has seen Mideast Gulf buyers ramp up their buying of HSFO cargoes. About 1.25mn t of HSFO global exports were destined for the Mideast Gulf in June, and a further 270,000t have followed the same route so far this month, according to Vortexa. Kuwait's state-owned KPC issued a tender that closed on 10 July to import 60,000t of HSFO for delivery on 19-20 July.

Regional fuel oil supply has also been restricted by crude production cuts by Opec+ countries. Saudi Arabia has prolonged its 1mn b/d output cut into August, resulting in lower sour crude supply and therefore decreased HSFO production during the region's peak summer season, further driving the need for imports.

Consequently, refining margins in northwest Europe for HSFO have increased. HSFO averaged a discount of $6.22/bl to front-month Ice Brent crude futures in the 13 June to 12 July period, nearly half of the $11.69/bl discount to the same marker a month prior.

Higher European prices have eroded the economics for transatlantic exports from the US Gulf coast, and consequently no HSFO has been shipped from there to northwest Europe route so far this month, according to Vortexa. This compares with 107,000t in June.

The spread between a cif northwest Europe HSFO cargo and its fob USGC barge counterpart fell to a discount of $1.71/bl on 6 July - the lowest since 6 September 2022 -

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and although this has picked up slightly it remains far below the average of $6/bl seen in the week to 28 June.

Domestic US availability of HSFO is tight, driven by low imports from nearby suppliers. Gulf coast residual fuel oil stockpiles sank to a three-month low of 18.60mn bl the week ended 30 June, according to the EIA. While it does not break down by grade, market participants attributed regional inventory losses to reduced imports of Mexican HSFO, and said low-sulphur fuel oil (LSFO) was in ample supply.

Mexican refinery fires in May and June, including at state-owned Pemex's Madero, Salina Cruz, Minatitlan, and Olmeca plants, may have contributed to the reduction, depriving the US Gulf of a predominant fuel oil supplier.

Fob Houston HSFO cash prices averaged $69.17/bl from 10-12 July, down from a 10-month high of $71.75/bl reached on 7 July. This indicates the arbitrage has the potential to reopen should Gulf coast refiners seek alternative sources of supply or ramp up domestic production.

Druzhba supplies to rise

Crude flows through the Druzhba pipeline system to central Europe are scheduled nearly 7pc higher on the month at 298,000 b/d (1.28mn t) in July. A 26pc reduction in Russian crude deliveries to Hungary is offset by an 88pc jump in planned shipments to Slovakia. Deliveries to the Czech Republic and Germany are roughly steady against June - the latter receiving Kazakh crude supplied across Russia. Druzhba flows increased by 9pc on the month to 300,000 b/d (1.24mn t) in June. Druzhba crude values strengthened relative to benchmark North Sea Dated last month, as seaborne Urals discounts narrowed, supported by falling supply. The price formula for Druzhba Urals is based on notional cif Rotterdam and cif Augusta values for the grade, although Urals is no longer supplied on this basis.

Fire at Bandar Abbas refinery extinguished

A fire at a privately owned refinery in the Persian Gulf Industrial complex at Bandar Abbas in southern Iran has been extinguished, state media reported.

The fire hit several product tanks owned by private Aftab Oil Refining company during the afternoon on 10 July and was put out by 20 fire engines after three hours, the director general of the local crisis management agency said, according to state news agency IRNA.

There were no casualties and the extent of the damage will be assessed in the coming days, local officials said.

Earlier reports from IRNA mentioned a number of injuries among the firefighters.

Aftab Oil runs a 20,000 b/d refinery and is linked through three pipelines to the 400,000 b/d Persian Gulf Star condensate splitter, a major producer of gasoline, which processes crude and condensate feedstock from the South Pars field.

The impact of the fire on the refinery's operations is yet to be clarified.

Venezuela resumes asphalt exports

Venezuela has resumed exports of some specialty oil-related products to neighboring markets, including asphalt to Brazil, according to an internal communication from state-owned oil company PdV.

In an internal video sent on 20 June to PdV officials, the company announced the resumption of exports, including 70,000 bl of asphalt to an unnamed client out of the Amuay refinery, which is part of the CRP refining complex in Falcon state.

The shipment is on its way to Brazil, according to asphalt market participants. Prior to this, two barges were sent shortly after Brazilian President Luiz Inacio Lula da Silva expressed public support for the government of President Nicolas Maduro during a summit in Brazil in late May.

Asphalt exports had been halted since January 2019, because of sanctions imposed by the US government. But the US eased sanctions late last year, making the trade viable again.

The resumption of exports required major maintenance to facilities, untaken after buyers requested the product from PdV, the company said.

Venezuela's traditional asphalt production capabilities were centered around the Bajo Grande refinery. Located in Zulia state, Bajo Grande is the smallest of the three refineries that make up CRP together with Amuay and Cardon. It had produced about 16,000 b/d of asphalt from Boscan-type asphaltic crude before the US began implementing sanctions in 2019 and output waned, Zulia-based consultancy ChemStrategy said. Chevron and other companies, including Bajo Grande owner PdV, are still exporting and storing Boscan crude.

Venezuela has an abundance of asphaltic crude, which US company Chevron has produced for decades in Zulia state through its joint venture with PdV.

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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.

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