

SUMMARY

A sharp fall in crude and high-sulphur fuel oil (HSFO) prices on the week put some further pressure on bitumen prices in most regions, although in markets less impacted by Covid-19 restrictions, prices were better supported.

In the Mediterranean, bitumen prices were impacted by significant reductions in the value of HSFO, while cargo demand remained thin, as road construction activity was kept under coronavirus-linked restrictions in most countries.

Construction activity and bitumen demand in northwest and central Europe continued to rise slowly but steadily, keeping most domestic prices stable, despite large new losses in crude and fuel oil prices.

Prices fell heavily in west and east Africa, reflecting sharp declines in cargo and drummed values respectively, as crude and HSFO losses further bore down on bitumen values.

Construction activity remained depressed in most of the key sub-Saharan African markets, most notably Nigeria and South Africa, because of lockdown measures, generating low demand levels.

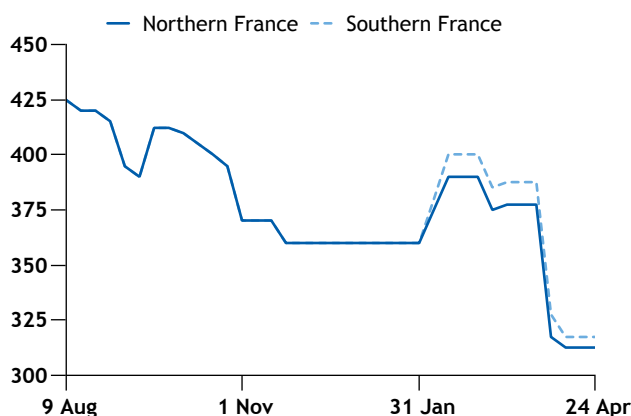
Across Asia-Pacific trade was muted on the back of weak demand and high inventories. Road construction activities across southeast Asia remain slow due to the extended lockdowns over the coronavirus situation. Demand in China has started to show signs of improvement. Prices in the Mideast Gulf fell as lockdown in India hampered import negotiations.

PRICES

Bitumen prices at key locations, 18-24 Apr				\$/t
		Low	High	±
Export cargo prices fob				
Mediterranean		85.43	89.77	-45.75
Rotterdam		125.50	130.50	-42.19
Singapore		180.00	190.00	nc
South Korea		185.00	190.00	-2.50
Mideast Gulf		113.00	210.00	-6.50
Delivered cargo prices cfr				
North Africa	Alexandria, bulk	127	137	-38.00
East Africa	Mombasa, drum	230	240	-30.00
West Africa	Lagos, bulk	200	210	-42.00
East China coast		220	260	nc
Domestic prices				
Antwerp	ex-works	260	271	-13.00
Southern Germany	ex-works	298	309	-8.00
Hungary	ex-works	304	315	-2.00
Italy	ex-works inc tax	239	250	-7.00
Indonesia	ex-works	414	414	+5.00
Mumbai	bulk	260	286	-1.00

France: North vs South

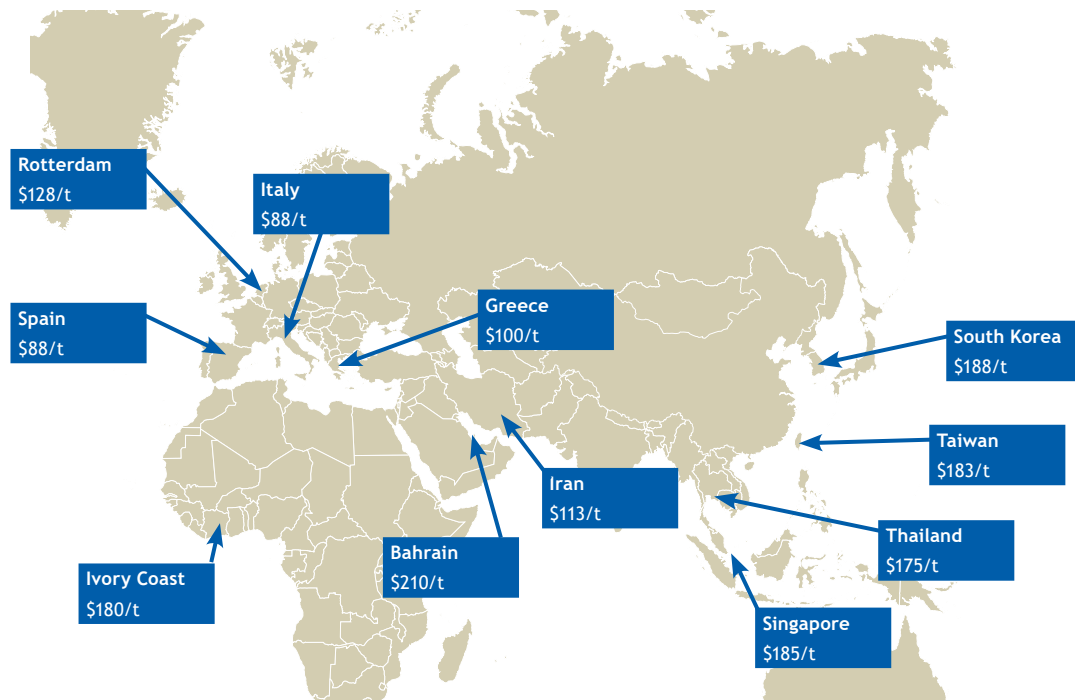
\$/t



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	12-17
Vessel tracking indications	18
Bitumen news	19-22

WATERBORNE BITUMEN PRICES, FOB



CARGO FLOWS

Arbitrage movements out of Europe continued – albeit being more challenging as global bitumen prices sink – with the 5,895 dwt *The Deputy* taking a cargo from Antwerp, Belgium to a terminal at Progreso, Mexico.

The 49,282 dwt *Bitu Express*, loaded a cargo from Agio Theodori, Greece, heading for Lome, Togo, where the vessel will likely transfer product onto smaller vessels able to discharge into the region's ports.

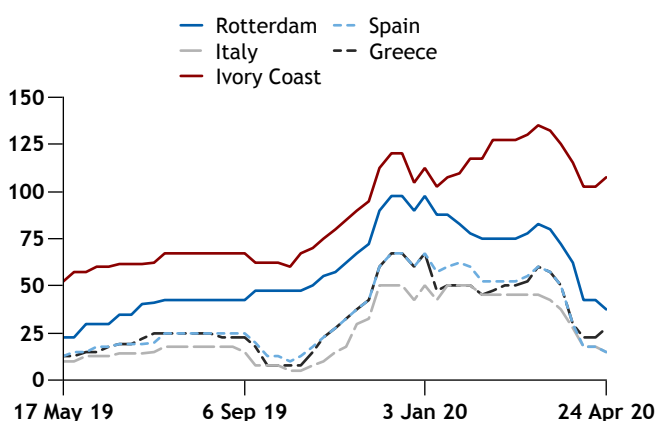
Several bitumen tankers are returning to the Mediterranean

nean having discharged cargoes into the US east coast.

The 13,625 dwt *Jin Zhou Wan*, the 37,087 dwt *Asphalt Splendor* and the 17,764 dwt *Atlantic Asphalt* are expected to arrive into the Mediterranean by early-May.

Waterborne markets, differential to HSFO

\$/t



Europe and Africa cargo export differentials to crude			
	Differential to Ice Brent \$/t	Differential to Ice Brent \$/bl	±
Rotterdam, Netherlands	-37.72	-1.26	-0.62
Spain	-78.12	-7.81	-1.50
Italy	-78.12	-7.81	-1.50
Greece	-65.62	-5.78	-0.29
Albania	-98.12	-11.05	-0.69
Ivory Coast	14.38	7.18	-0.29

Europe and Africa cargo export differentials to HSFO			
	Low	High	±
Rotterdam, Netherlands	+35	+40	-5
Spain	+13	+17	-2
Italy	+13	+17	-2
Greece	+25	+30	+5
Albania	-7	-3	+2
Ivory Coast	+105	+110	+5

NORTHWEST AND CENTRAL EUROPE MARKET COMMENTARY

Summary

Construction activity and bitumen demand levels continued to rise slowly but steadily, keeping most domestic prices stable, despite large new losses in high-sulphur fuel oil (HSFO) prices.

But those HSFO and crude declines not only helped to nudge some domestic prices assessments lower, they also contributed to hefty losses in cargo values as tanker shipping movements remained thin, reflecting still weak demand in cargo import markets like France, Ireland and the UK.

Fob Rotterdam HSFO barge prices fell by \$37/t to little over \$90/t, while bitumen cargo premiums to those values were assessed \$5/t down at \$35-40/t on a fob basis. Northwest European freight rates for 5,000t cargo movements were assessed \$1-2/t down on average, with the Rotterdam-Thames edging slightly down to \$17-20/t, with greater losses on Hamburg-Thames and Klaipeda-Thames routes that were respectively assessed at \$22-25/t and Klaipeda-Thames. Tanker freight from La Coruna on the Spanish Atlantic coast to Thames were pegged at \$29-34/t.

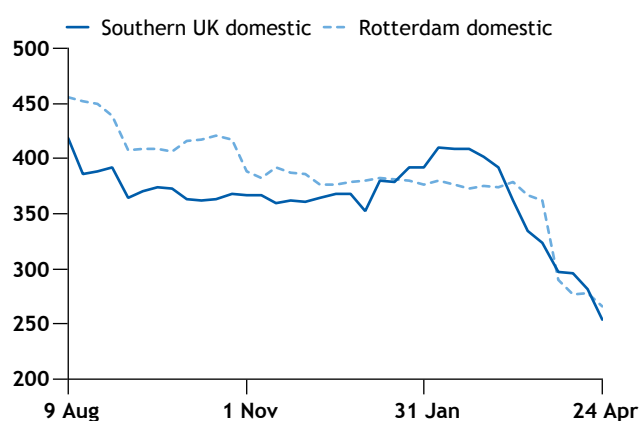
UK/Ireland

Domestic price assessments fell by £20/t to £200-210/t ex-works and £215-225/t delivered into southern England destinations.

Some volumes were indicated by buyers as low as the £150-170/t ex-works range, although most players conclude monthly formula-related deals that could well see steep price declines take effect from 1 May.

Cargo prices in the week ending 24 April were indicated nearly \$40/t down in the \$145-150/t cfr Thames range after hefty losses in Rotterdam HSFO barges as well another slip-page in freight rate assessments into Thames terminals amid

Southern UK domestic and Rotterdam domestic \$/t



Northwest and central Europe bitumen prices, 18-24 Apr						
	€/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
Southern UK £/t	200	210	-20.00	248	260	-27.50
Rotterdam, Netherlands	240	250	-10.00	260	271	-13.00
Antwerp, Belgium	240	250	-10.00	260	271	-13.00
Northern Germany	270	280	-5.00	293	304	-7.00
Northeast Germany	220	230	nc	239	249	-1.50
Southern Germany	275	285	-5.00	298	309	-8.00
Southwest Germany	270	280	-5.00	293	304	-7.00
Western Germany	270	280	-5.00	293	304	-7.00
Hungary	280	290	nc	304	315	-2.00
Romania	275	285	nc	298	309	-2.00
Czech Republic	230	240	nc	249	260	-2.00
Export prices, ex-works						
Poland-Germany (truck)	220	230	nc	239	250	-1.00
Czech Republic-Germany (truck)	205	215	nc	222	233	-2.00
Poland-Romania (truck)	230	240	-5.00	249	260	-7.50
Hungary-Romania (truck)	290	300	nc	315	325	-2.50
Rotterdam (cargo)				125.50	130.50	-42.19
Domestic prices, delivered						
Southern UK £/t	215	225	-20.00	266	278	-27.72
Brussels	250	260	-10.00	271	282	-13.00
Northern France	305	320	nc	331	347	-2.00
Central France	305	320	nc	331	347	-2.00

Crude and refined products, 18-24 Apr				
	Low	High	Average	±
Ice Brent minute marker week range \$/bl	19.69	26.34	22.01	-6.21
Fuel oil 3.5%S, fob RMG barge \$/t	81.50	108.25	90.50	-37.19
Urals cif Rotterdam \$/bl	11.56	17.54		-0.74
Fuel oil straight-run 0.5% fob cargo \$/t	131.50	180.50		-37.12
Fuel oil straight-run M-100 cif cargo \$/t	87.00	112.75		-36.50
Vacuum gasoil 0.5%S cif cargo \$/t	135.75	185.00		-37.25

Northwest Europe cargo freight rates			
	Low	High	±
Rotterdam-Thames	17	20	nc
Hamburg-Thames	22	25	-1
Klaipeda-Thames	38	41	-2

the continued surplus of bitumen tankers.

While the rate of cargo flows to terminals on the British

NORTHWEST AND CENTRAL EUROPE MARKET COMMENTARY

mainland remained low, there was a continued absence of any such movements into both Dublin and Belfast. While the construction sector in Ireland has ground to a halt for several weeks because of Covid-19 fears, activity in Northern Ireland has also fallen sharply. A leading Irish importer ceased operations at its Dublin and Belfast terminals in mid-April.

In mainland UK, most players see construction activity and bitumen demand remaining at around 50pc of normal levels for April, with work ongoing on major road and highway projects, while smaller scale maintenance and upgrade projects were largely at a standstill. A rare cargo was moved from the Cadiz terminal in Spain to Newport Wales – usually part of two-port discharges that include Glasgow – on board the 14,953 dwt *Palanca Cadiz*.

France

Domestic prices were assessed unchanged at €305-320/t delivered in the north and centre and €310-325/t delivered in the south ahead of monthly negotiations and formula-related deals likely to witness strong downward pressure on May supply prices.

Construction activity and bitumen requirements were rising slowly across France in the week ending 24 April after government restrictions on such work were lifted in the previous week. But market participants were not expecting any substantial increase in demand until May.

Despite a continued halt to bitumen production and supply from Total's refineries in Gonfreville and Grandpuits in the north and Feyzin near Lyon in central-southern France, there was still plenty of supply from other French refineries to meet any requirements.

No bitumen truck volumes are expected to be available

from Total's Feyzin refinery near Lyon before the end of June.

The 4,900 dwt *Bitfjord* delivered a cargo, loaded in Rotterdam, into the Bayonne import terminal on the French Atlantic coast on 23 April. One of the leading French construction companies was expected to take delivery of more cargoes in the coming months into the Lavera terminal after a cargo loaded in Augusta, Sicily, was discharged at Lavera on 12 April on board the 5,836 dwt *Iver Bitumen* – currently understood to be under time charter with ExxonMobil.

Benelux

Price assessments for domestic truck sales into the Belgian and Dutch markets were €10/t down at €240-250/t ex-works Rotterdam/Antwerp as some Benelux volumes were indicated by a regional buyer to have been concluded at levels well below €200/t ex-works.

The rates of construction activity and bitumen demand in the Benelux markets continued to rise, mainly reflecting a further stepping up of road paving projects in Belgium after a severe lockdown that had halted such work in the month up to mid-April. The Belgian government, in common with some other European governments, was thought to be targeting infrastructure work as an early way to begin stimulating its economy after the battering caused by stay-at-home orders linked to Covid-19.

The Dutch market remained committed to keeping road construction work going, as it has been throughout the crisis, while roofing activities have been consistently active on both of the Benelux markets. Refinery supplies remained sufficient to meet Benelux requirements despite maintenance work at the Shell refinery in Pernis that began in mid-April.

The 5,895 dwt *The Deputy* moved a cargo from Antwerp to Progreso, Mexico, for 6 May arrival, while a cargo loaded on board the 37,000 dwt *Asphalt Synergy* had been scheduled for shipment from Aliaga, Turkey, to Antwerp before calling at Tarragona, Spain. Market participants said the tanker may be taking additional volumes for on-board blending with the Tupras product before resuming its voyage to Antwerp.

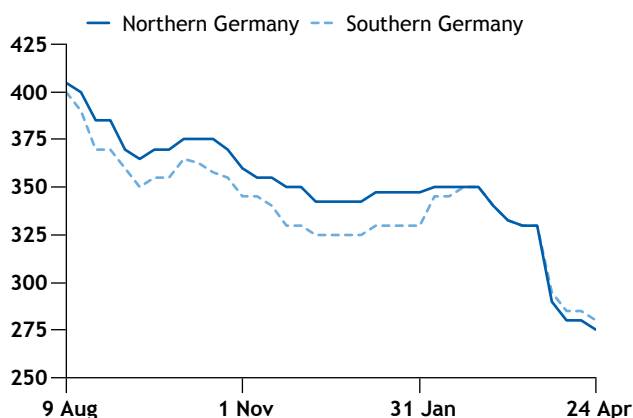
Germany

While the rate of construction activity remained fairly buoyant across the country, another sharp fall in HSFO prices contributed to €5/t assessed bitumen declines in most German regions.

While northeast Germany truck prices were assessed

Germany: North vs South

\$/t



NORTHWEST AND CENTRAL EUROPE MARKET COMMENTARY

unchanged at €220-230/t ex-works, with some volumes offered up to €240/t in the region, assessments in the north, southwest and west were €5/t lower at €270-280/t ex-works. Prices in southern Germany prices were assessed €5/t down in the €275-285/t ex-works range.

Refinery run cuts across Germany in response to collapsing demand for transport fuels have helped to bring bitumen supply and demand into balance, but some supply length was still observed in western Germany, even as refiners pointed to supply limitations in other parts of the country. Refinery maintenance work at the PCK refinery in Schwedt, northeast Germany, and the Litvinov refinery in the Czech Republic helped to tighten availability in parts of the country.

There were early concerns that a prolonged period of dry weather could push down Rhine barge levels enough during May to hit the rate of oil products barge loadings from refineries like Miro in Karlsruhe and Shell's Godorf refinery. That could have a knock-on impact on bitumen production and supply if refinery runs have to be further reduced.

Poland/Czech

Restrictions due to the coronavirus remained in place in Poland, with delays to road works across the country being compounded by the departure of a wave of migrant construction workers back to Ukraine.

PKN Orlen subsidiary Unipetrol's 102,000 b/d Litvinov refinery ran down its stocks and had no remaining bitumen availability, while volumes remained steady from Orlen's Plock refinery.

Domestic prices in the Czech Republic were assessed unchanged at €230-240/t ex-works, while Polish domestic values were indicated at €220-230/t ex-Plock. Lotos' refinery at Jaslo was understood to be offering bitumen volumes at €236/t ex-works.

Poland to Germany truck prices were assessed unchanged at €220-230/t ex-works, while Czech truck exports to Germany were also assessed unchanged at €210/t ex-works.

Hungary/Romania

Demand across Hungary and Romania remained strong as restrictions due to coronavirus have been less severe than in many other European countries.

Hungarian domestic values were assessed unchanged at €280-290/t ex-works, while truck exports from Hungary into Romania were assessed unchanged at €290-300/t ex-works, although some truck export volumes from Mol's Szazhalombatta refinery were indicated as high as €310/t ex-refinery,

levels that have become increasingly uncompetitive, especially when compared with domestic supplies in Romania.

Rompetrol's Vega refinery at Ploiesti, Romania, was preparing for a restart as early as 27 April, with no change in the refiner's €260-270/t ex-works level during the shutdown week ending 24 April.

Serbian refiner Nis was offering bitumen from its Pancevo refinery at €310/t ex-works into Romania, while Lukoil's Burgas refinery in Bulgaria was offering its truck volumes as low as €240/t, under pressure from Greek imports.

The 8,999 dwt *Asphalt Seminole* loaded a cargo from Tupras' terminal at Izmir for discharge into the bitumen terminal at Galati, on the Danube River, the second such shipment so far since the recent resumption of flows into the Unicom terminal, with more such shipments expected over the coming months.

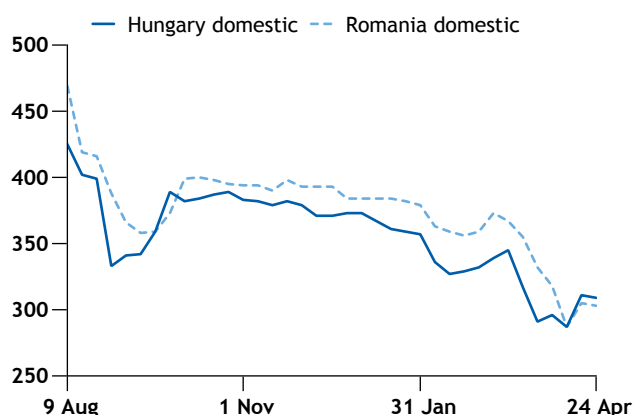
Russia

Russia will reduce export duties for crude and related products from May by some \$45/t to just below \$7/t (see news).

The dramatic reduction is likely to further encourage Russian bitumen export flows. Competitively priced bitumen cargo flows from Russia and Belarus have been moved into Nordic, Scandinavian and northwest European markets during the winter months when low rates of domestic activity generate Russian surpluses available for export.

Hungary and Romania domestic

\$/t



MEDITERRANEAN MARKET COMMENTARY

Summary

Bitumen prices were impacted by significant reductions in the value of Mediterranean high-sulphur fuel oil (HSFO), while cargo demand remained thin as road construction activity was kept under coronavirus-related restrictions in most countries.

In the key importing region of north Africa, demand for fresh bitumen supplies remained subdued as the region prepared to enter the Ramadan period on 23 April, lasting until 23 May. Deliveries under agreed term deals continued, but concessions were sought by some producers as pricing formulas linked to crude oil values have led to a slump in resulting fob values.

Egyptian refiner EGPC issued a tender for two bitumen cargoes to supplement the current deal in place with a local trading firm for six cargoes for delivery into Alexandria through to the first week of May.

Italian domestic prices fell as the country's bitumen demand was cut by almost half in March, with April feared to show even steeper declines.

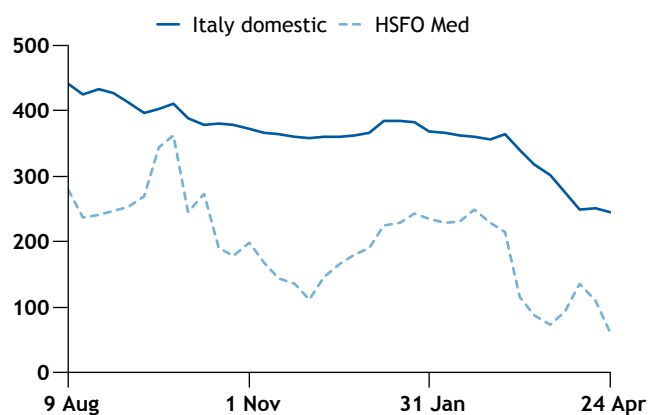
Cargo premiums in Italy and Spain were assessed slightly lower, while Greek cargo premiums rose on the back of ongoing activity and import demand in the Black Sea region as well as renewed interest from Egypt. A one-cargo tender by Greek refiner Hellenic Petroleum was understood to have failed.

Cross-Mediterranean freight rates stabilised at low levels amid persistent tanker oversupply, with some slim gains indicated on shorter routes – most notably into Tunisia from Italian export locations and into Algeria from Spain.

Algeria/Morocco/Tunisia

While regional restrictions remained in place in most north

Italy domestic and Mediterranean HSFO fob cargoes \$/t



Mediterranean price index		\$/t		
		Low	High	±
Mediterranean fob (Augusta)		85.43	89.77	-45.75

Mediterranean bitumen prices, 18-24 Apr						
	Local currency/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
Italy, including tax	220	230	-5.00	239	250	-7.00
Southern France (delivered)	310	325	nc	336	353	-2.00
Northeast Spain	315	325	nc	342	353	-2.00
Southwest Spain	315	325	nc	342	352	-2.50
Izmit, Turkey	915	915	-296.00	131	131	-47.00
Izmir, Turkey	915	915	-296.00	131	131	-47.00
Batman, Turkey	950	950	-295.00	136	136	-47.00
Kirikkale, Turkey	950	950	-295.00	136	136	-47.00
Export prices, fob \$/t						
Differential to HSFO						
Italy	+13	+17	-2.50	85.60	89.60	-47.59
Greece	+25	+30	+5.00	97.60	102.60	-40.09
Spain	+13	+17	-2.50	85.60	89.60	-47.59
Albania	-7	-3	+2.50	65.60	69.60	-42.59
Delivered cargo prices, cfr						
Alexandria, Egypt				127	137	-38.00
Gebze-Mersin, Turkey				124	134	-37.00
Ghazaouet, Algeria				109	119	-44.00
Rades, Tunisia				110	120	-44.00
Economics				Mid		±
Bitumen's value as a fuel oil blendstock \$/t				55		-45.20

Crude and refined products, 18-24 Apr				
	Low	High	Average	±
Fuel oil 3.5% 0.998 fob	62.00	89.25	72.60	-45.09
Basrah Light fob Sidi Kerir	6.46	12.44		-3.85
Urals cif Augusta	12.06	17.29		-0.99
Iran Heavy fob Sidi Kerir	7.69	12.92		-0.99
VGO 0.5% west Med cif \$/t	125.25	174.50		-33.88

Mediterranean cargo freight rates				\$/t
	Low	High		±
Augusta-Mohammedia	36	40		+0
Tarragona-Mohammedia	26	30		0
Augusta-Alexandria	33	37		nc
Augusta-Tunis-Rades	19	23		+2
Livorno-Tunis-Rades	23	26		+1
Tarragona-Gazaouet	22	25		+2
Aspropyrgos-Corinth-Agio Theodori-Gebze-Mersin	24	27		nc
Aspropyrgos-Corinth-Agio Theodori-Alexandria	27	31		nc

MEDITERRANEAN MARKET COMMENTARY

African markets, the Algerian government gave the go-ahead for some construction activity to resume.

That in turn helped to raise truck loadings from Sonatrach's coastal terminals by as much 20pc in the week ending 24 April, with more significant gains expected. The more positive signals in the country were accompanied by the spot fixing by Sonatrach of the 7,499 dwt *Poestella* on a voyage charter to carry bitumen from Augusta to Sonatrach's Algiers terminal for 26 April arrival.

Sonatrach and Cepsa were understood to be reviewing pricing terms under annual tender volumes awarded to the Spanish firm in February, based on physical North Sea crude with a significant discount. The slump in crude values since the arrival of the Covid-19 pandemic has had a dramatic impact on implied bitumen values under the tender.

There remained activity into Moroccan ports, with several vessels discharging cargoes into the bitumen terminal. The country's government extended the general lockdown due to the virus until 20 May, further limiting construction activity in the country.

Egypt

Egyptian state-owned EGPC issued a fresh tender seeking two 4,000-7,000t bitumen cargoes for May delivery into its Alexandria terminal (see news).

Egyptian road construction has rapidly returned to high levels of activity following enforced lockdowns across the country due to the coronavirus. The country will likely see reduced activity during Ramadan between 23 April and 23 May.

The state refiner had previously agreed a deal to buy six 4,000-7,000t bitumen cargoes from local trading firm Triumph for delivery by early May, at \$75/t delivered premiums to fob Mediterranean HSFO.

The first of those shipments was loaded at the Motor Oil Hellas (MOH) export terminal in Agio Theodori, Greece, and delivered into Alexandria on 13 April. There was no confirmation yet that the MOH sale of the volumes to an international oil trading firm that is to make the physical deliveries into Alexandria had been concluded at premiums to fob Mediterranean HSFO cargoes of around \$40/t fob basis Agio Theodori.

The 12,972 dwt *Da Hua Shan* was loading the second of three expected volumes at Agio Theodori for shipment to Alexandria.

Spain/Portugal

Spanish construction firms that had resumed activity on 13

April following a partial relaxation of lockdown measures increased their pace of work in the week ending 24 April.

Negotiations were under way for domestic supplies in May, with prices in April having been cut by €75/t to €320/t ex-works at the beginning of April, as the country battled with the virus forcing construction works to be halted.

Cargo premiums to fob Mediterranean HSFO were assessed \$2-3/t lower at \$15/t fob as the primary outlets for Spanish bitumen have sharply cut their requirements, with spot flows at a virtual standstill.

Increased stocks also led to a greater numbers of offers of Spanish bitumen into southern French markets, where truck markets were assessed unchanged at €310-325/t delivered.

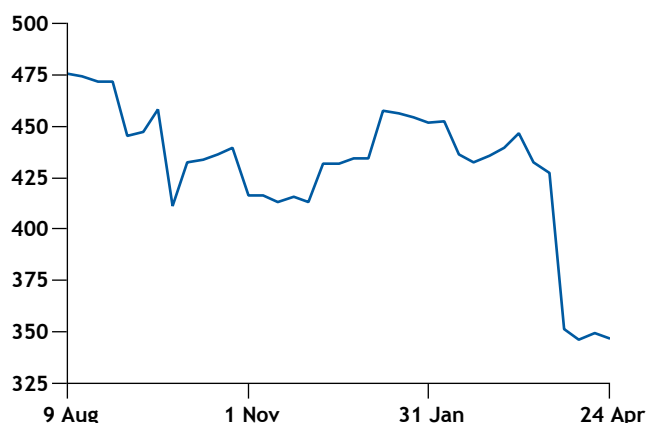
Weak demand and lower crude and fuel oil values have also hurt Portuguese demand as well as exports from Galp, with a cargo from the firm's Viana do Castelo export terminal for May loading reportedly offered at single-digit premiums to fob Mediterranean HSFO cargoes, although no deal was yet struck.

The 37,000 dwt *Asphalt Synergy* was heading towards Tarragona, having previously loaded a cargo from Tupras' Izmir terminal at Aliaga for discharge into Antwerp. The vessel changed course at the Straits of Gibraltar and was expected to arrive at Tarragona by 25 April. The tanker was thought most likely to load extra volumes of bitumen to blend on board heading to Antwerp, or possibly an alternative location.

The 4,900 dwt *San Benedetto II* loaded a cargo from Cadiz, Spain, for discharge into the Maltese port of Valletta by 27 April, while the 12,980 dwt *Da Ming Shan* loaded a cargo from Tarragona for discharge into Cadiz on 22 April.

Southwest Spain

\$/t



MEDITERRANEAN MARKET COMMENTARY

Italy

Restrictions remained in place for road project work in Italy, heavily impacting demand for bitumen.

Italian domestic industry association Unione Petrolifera recorded Italian product consumption 31pc lower in March 2020 compared to the same month last year. Bitumen consumption fell by 46.5pc to just 77,000t, from 144,000t in March 2019. It was estimated that demand in the particularly hard-hit northern region of Italy may have fallen by up to 70pc in April due to imposed restrictions.

Domestic prices were assessed €5/t lower at €220-230/t ex-works, including the €31/t domestic duty for road paving penetration grades.

Cargo premiums from Italian ports were assessed \$2-3/t lower at \$15/t fob as a result of continued weakness in demand from importers across the Mediterranean.

It was unclear whether refineries across the country, which were running at lower production rates, would increase their utilisation in May. API's Falconara refinery was previously expected to return to production in early-May, having been closed in late-March as a collapse in demand filled tanks at its facility.

Greece

Greek cargoes were assessed \$5/t higher at \$25-30/t premiums to fob Mediterranean HSFO, partly due to renewed demand from Egypt and the Black Sea helping keep premiums above other regional suppliers.

That was partly linked to indications, so far unconfirmed, that MOH had sold volumes from Agio Theodori to an international trading firm at around fob Med HSFO +\$40/t on a fob basis for onward delivery into Alexandria.

Hellenic Petroleum's recent mid-April tender awarded at a premium to fob Mediterranean HSFO of below \$20/t to a firm previously unknown in the bitumen markets has been indicated to have failed. The cargo, originally understood to be destined for the Lebanese port of Sidon on the *Sunpower*, is now likely to head to another discharge port.

Truck sales from Hellenic Petroleum for export into Balkan markets were understood to be offered at \$60/t premiums to cif Mediterranean HSFO, or near \$150/t ex-works, competing with locally sourced volumes in the region. Domestic sales from the refinery were understood to be between €90-110/t ex-works.

Turkey

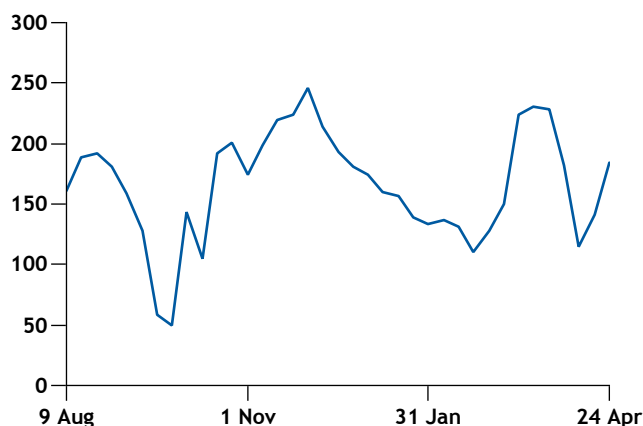
Coronavirus restrictions have been less severe in Turkey than some other markets, with curfews being used more than lockdowns, although the government imposed a four-day lockdown starting 23 April until 27 April, as the country enters the Ramadan period.

The construction sector has been exempted from the lockdown measures, with works understood to be continuing in most parts of the country.

Posted prices for truck sales from Tupras' refineries saw steep declines on weak domestic demand.

Truck prices for loadings from the firm's Izmit and Izmir refineries were TL296/t lower, at TL915/t ex-works, while posted prices at the firm's northern and eastern refineries, at Kirikkale and Batman, were TL295/t lower, at TL950/t ex-works.

Italy domestic less bitumen fuel oil blendstock value \$/t



SUB-SAHARAN AFRICA MARKET COMMENTARY

Summary

Prices fell heavily in west and east Africa, reflecting sharp declines in cargo and drummed values respectively, as large crude and high-sulphur fuel oil (HSFO) losses further bore down on bitumen values.

Construction activity remained depressed in most of the key sub-Saharan African markets, most notably Nigeria and South Africa, because of lockdown measures, generating low demand levels.

West Africa

The price of cargoes being moved into west African terminals fell sharply, reflecting HSFO and bitumen outright price declines.

Mediterranean HSFO cargo prices fell by more than \$40/t in the week ending 24 April, while Spanish and Ivory Coast fob bitumen cargo premiums to fob Mediterranean HSFO cargoes were respectively assessed \$2-3/t down at around \$15/t and \$5/t up at \$105-110/t.

But in a thin market, bid-offer values and discussed levels varied widely from one deal to another, with SMB cargoes understood to be discussed now with reference to either fob Mediterranean 1pc low-sulphur fuel oil or fob Mediterranean HSFO cargoes – the firm having switched from HSFO to LSFO at the start of this year.

After recent sharp declines in bitumen tanker freight rates caused by a drop in vessel utilisation as the coronavirus hits demand, freight rates were assessed unchanged at around \$100/t for 5,000t cargo movements from Tarragona, Spain, to Nigerian ports like Lagos and Port Harcourt.

The impact of the regional demand drop was felt by Ivory Coast refiner SMB, which cut production at its 520,000

Sub-Saharan Africa bitumen prices, 18-24 Apr

	Local currency/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
South Africa	4,500	4,800	nc	237	253	-8.50
Import/export prices						
				\$/t		
Ivory Coast, fob Abidjan (export, cargo)				178	183	-40.09
Nigeria, cfr Lagos (import cargo)				200	210	-42.00
Ghana, cfr Takoradi-Tema (import, cargo)				202	212	-37.00
Kenya, cfr Mombasa (import, drums)				230	240	-30.00
Tanzania, cfr Dar es Salaam (import, drums)				230	240	-30.00
Freight rates						
				\$/t		
Abidjan-Lagos-Warri-Port Harcourt (cargo)				35	39	nc
Abidjan-Takoradi-Tema (cargo)				21	26	nc
Tarragona-Lagos-Warri-Port Harcourt (cargo)				95	105	nc
Bandar Abbas-Jebel Ali-Mombasa (drums)				55	60	-2.50
Bandar Abbas-Jebel Ali-Dar es Salaam (drums)				55	60	-2.50
Bandar Abbas-Jebel Ali-Djibouti (drums)				58	62	-2.50

Mideast Gulf to Africa freight rates

	\$/t		
	Low	High	±
Bandar Abbas/Jebel Ali-Mombasa (drums)	55	60	-2
Bandar Abbas/Jebel Ali-Dar es Salaam (drums)	55	60	-2
Bandar Abbas/Jebel Ali-Djibouti (drums)	58	62	-2

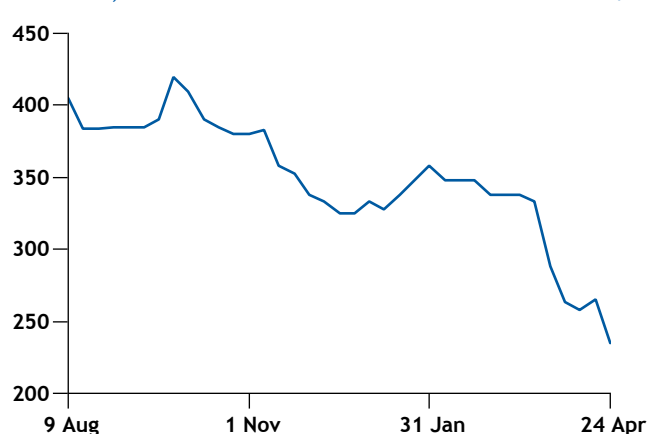
t/yr (10,500 b/d) Abidjan refinery, which has reduced the rate of import movements of Latin American bitumen-rich crudes, most notably Colombian Castilla (see news).

The rate of standard 5,000t cargo flows into Nigerian and other west African terminals fell further in response to a sharp Covid-19 related drop in construction activity, including reduced flows from the SMB refinery and terminal complex in Abidjan. No more than two or three export cargoes in total were expected to have been moved from Abidjan in the whole of April, with even fewer volumes expected during May.

But another large cargo was being moved on board the 45,974 dwt *Bitu Express*, which was loaded in Agio Theodori, Greece, and was scheduled for 9 May arrival at the 30,000t storage terminal in Lome, Togo, in readiness for any regional demand rebound over the coming weeks and months.

There was a glimmer of hope that some regional governments would ease lockdown measures enough to enable some road project work to proceed, with lockdown measures lifted in Ghana on 19 April, while the Nigerian government was expected to strongly consider making the same move once its existing lockdown ends on 27 April.

Tanzania, cfr Dar es Salaam drums



SUB-SAHARAN AFRICA MARKET COMMENTARY

Ivory Coast

While bitumen production at SMB's Abidjan refinery was cut by a third because of a sharp drop in requirements into nearly all key west African markets, construction work was still proceeding actively in the country itself.

While the rate of work was understood to have slowed slightly because of coronavirus concerns, the domestic bitumen market was still providing an important outlet for bitumen supplies from the SMB refinery. Domestic bitumen demand in Ivory Coast was estimated at around 100,000t last year, with a modest decline from such levels anticipated for 2020.

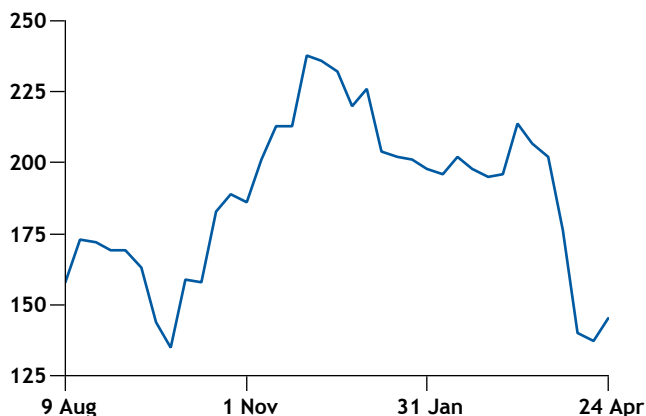
Nigeria/Ghana

While the Ghanaian government lifted the country's coronavirus lockdown on 19 April, raising hopes for a gradual revival in road construction work, the Nigerian lockdown remained in place, keeping activity and demand at low levels.

The Nigerian lockdown, in place since 30 March and subsequently extended by two weeks until 27 April, specifically applied to the three key Nigerian states of Lagos, Ogun and the Federal Capital Territory (FCT) encompassing Abuja. Movement restrictions across the whole country intensified on 23 April when the governors of Nigeria's 36 states agreed to ban interstate movements for two weeks in an effort to curb the spread of Covid-19.

Even if lockdown measures are eased from 27 April to enable road and highway work, market participants don't expect a significant rise in activity levels until May. That would leave just one to two months of the current dry season, with the wet season typically starting in late-June and causing a dramatic drop in bitumen requirements.

West Africa cargo cfr- Med HSFO fob cargoes



The 11,406 dwt *Biskra* was from 17-24 April sitting off Lome after completing its previous discharge into Sapele on 8 April.

In Ghana by contrast, the lifting of the country's lockdown, which had all but halted construction work and bitumen demand, was yet to see most project work resumed, but that was expected to start happening from 27 April.

East Africa

A sharp fall in Iranian domestic prices for vacuum bottoms, used as feedstock for the country's bitumen refineries, triggered another substantial fall in Iranian bitumen export prices.

Those assessments fell by \$27-28/t to \$175-180/t fob Bandar Abbas, with at least one drummed offer reported as low as \$170/t fob Bandar Abbas.

Drummed freight rates from Bandar Abbas to Mombasa and Dar es Salaam also slipped, by an assessed \$2-3/t to \$55-60/t as some freight indications were reported down to \$1,100 per container (\$55/t), while others were still indicated around \$1,200 per container (\$60/t).

The rate of drummed cargo sales into east African markets remained low, mainly because of a slowdown in project work in markets like Kenya, Uganda and Rwanda that translated into lack of truck liftings from terminals at Mombasa, Kenya, and Dar es Salaam, Tanzania.

Kenya

The rate of activity and bitumen drummed loadings of truck volumes from Mombasa storage locations remained low as construction activity levels across much of the region were still dampened by Covid-19 related restrictions.

An international bitumen trading and shipping firm that has been looking in recent years to move bulk cargoes into Mombasa was understood to be readying such shipments. Such plans were connected with a move by a regional firm to sign a lease for use of a 6,000t bulk bitumen storage facility in Mombasa. The facility has been designed to take bulk cargo volumes, before drumming them on site for onward truck movement to domestic and other inland end-user locations in east Africa.

Market participants noted that any planned bulk cargo import flows into Mombasa, if to be lifted from non-Iranian sources, would attract far higher prices, with substantial additional storage and drumming costs also incurred, making it difficult for such volumes to be competitive with Iranian drummed movements.

While Iranian bulk cargo prices were assessed \$13-14/t

SUB-SAHARAN AFRICA MARKET COMMENTARY

down at \$175-180/t fob Bandar Abbas in the week ending 24 April, Bahraini bulk cargoes were unchanged at \$210/t fob basis Sitra, while Singapore cargoes were unchanged at \$180-190/t fob.

Southern Africa

The regional construction activity and bitumen demand picture remained subdued, with supply from South African refineries and terminals into its regional markets still halted as part of the country's lockdown measures.

Drummed and bitutainer deliveries made into Mozambique earlier in April, mainly for supply into northern Zambia and the Democratic Republic of Congo, were expected to be sufficient to meet requirements on those markets during May when all bitumen-producing South African refineries are expected to stay shut. Stocks held in Indian Ocean markets like Reunion and Mauritius were similarly built up though bitutainer imports prior to Covid-19 restrictions.

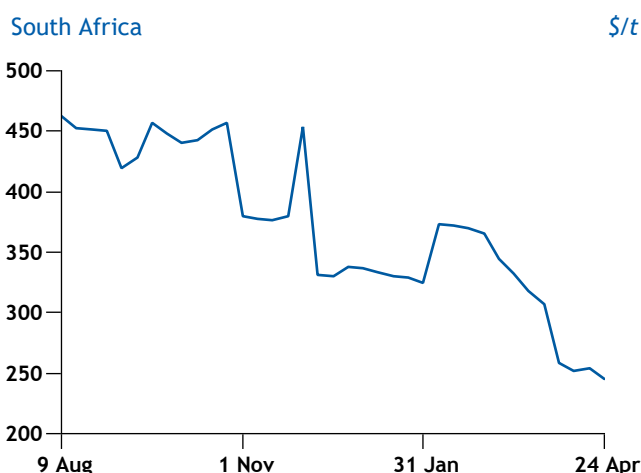
South Africa

South African President Cyril Ramaphosa announced on 23 April that the country's lockdown measures, which had been extended through to 30 April, would be partially eased from 1 May.

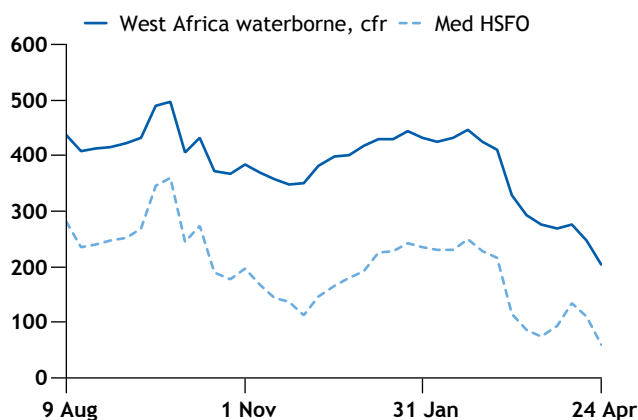
Suppliers and buyers awaited details to be issued by South African ministers on which sectors and products would be eligible for resumption after the previous lockdown measures had deemed production, loading and movement of bitumen trucks and vessels non-essential, both into domestic and export markets.

That in turn led to a virtual halt to bitumen production at South African refineries, all of which remained fully shut down because of the collapse in oil products demand caused by lockdown measures throughout April. The shutdowns were expected to continue through to the end of May affecting all of South Africa's bitumen-producing refineries: the Engen and Sapref facilities in Durban, the Astron refinery in Cape Town and the Sasol/Total joint venture Natref refinery in Sasolburg. Sasol said it would initiate its planned May maintenance shutdown a few days earlier than planned and within lockdown guidelines.

South African bitumen suppliers were however confident that, given the depressed state of the construction sector, there would be enough bitumen in stock to supply domestic requirements throughout May, before the expected restart of several refineries from early-June onwards.



Asphalt del West Africa and fuel oil fob Med \$/t



ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Singapore

Singapore pen 60/70 bitumen prices held steady at \$180-190/t fob for late-May loading cargoes as spot availability was limited.

Fewer deals were concluded. A 6,500t cargo loading end-May was likely concluded in the high \$190s/t fob. Another 3,000t cargo May loading was offered at around \$230/t cfr south Vietnam, this netbacks to around \$195-200/t fob Singapore, but no deal was concluded.

The recent volatility in crude and fuel oil prices has made buyers cautious in negotiating deals. High inventories across southeast Asia persist, thanks in part to the extended lockdowns because of the Covid-19 situation.

Importers are in no rush to conclude deals and inventories are high with truck loadings falling. The start of the Islamic fasting month of Ramadan will further hamper negotiations in Indonesia, which is a major importer of cargoes from Singapore. Importers in Vietnam remain unlikely to conclude deals on the back of high offers. But Thai domestic demand has started to show sign of strength as contractors seek to lock volumes ahead of the budget fund release.

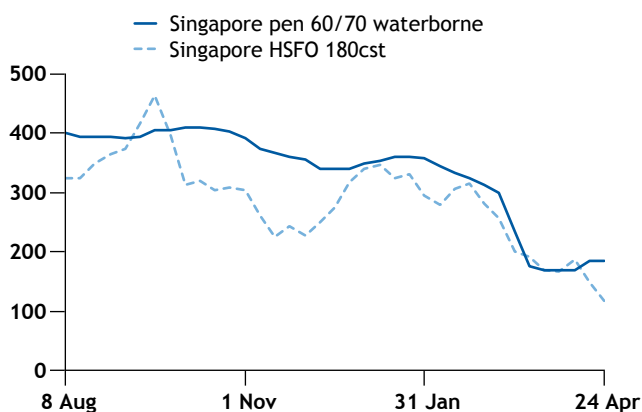
China has started to show signs of improvement as road construction activities are picking up strength. Importers are lifting cargoes as they fill inventories ahead of the construction season, which typically firms up towards the end of the second quarter.

Regional arbitrage remains closed with cargoes unlikely to move from South Korea to southeast Asia, as demand in China remains firm.

Singapore and regional refiners have all sharply lowered their refinery run rates as middle distillate demand remains weak, this in turn has lowered bitumen production as well. Singapore bitumen prices are trading at a premium of at

Singapore pen 60/70 and HSFO cargoes

\$/t



Asia bitumen prices, 18-24 Apr

	Local currency/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
South Korea	402,276	504,072	+3,710.0	328	411	nc
Mumbai, India	19,869	21,869	nc	260	286	-1.00
Mumbai, India (drums)	22,169	24,169	nc	290	316	-1.00
Thailand	7,783	8,108	-61.0	240	250	nc
Indonesia	6,460,000	6,460,000	nc	414	414	+5.00
Singapore	352	362	+2.00	247	254	nc
Singapore-Malaysia ex-ref	285	299	+1.00	200	210	nc
Japan	35,513	43,619	nc	330	405	+1.00
Waterborne, fob						
Iran				110	115	-13.50
Iran (drums)				175	180	-27.50
Bahrain	79	79	nc	210	210	nc
Singapore	257	271	+2.00	180	190	nc
Singapore (drums)	584	599	+3.00	410	420	nc
Thailand	5,513	5,837	-43.5	170	180	nc
South Korea	226,894	233,026	-1,158.0	185	190	-2.50
Taiwan	5,416	5,567	+1.0	180	185	nc
Waterborne, cfr						
North China coast	1,522	1,593	-11.5	215	225	-2.50
East China coast	1,557	1,840	+6.5	220	260	nc
South China coast	1,628	1,734	+6.0	230	245	nc
Northern Vietnam (drums)				213	443	-13.50
Southern Vietnam (drums)				208	433	-13.50
Economics				Mid		±
Bitumen's value as fuel oil blendstock, Singapore				111		-42.34

Asian Bitumen Price Index

	Index	±
ABX 1 fob Singapore	185.00	nc
ABX 2 fob South Korea	187.50	-2.50

Monthly Average (contract)

Contract	Apr 20	Mar 20
ABX 1	177.50	220.00
ABX 2	182.50	213.13

Fob Mideast Gulf Price

	Low	High	±
Mideast Gulf fob (\$/t)	113.00	210.00	-6.50

Crude and refined products, 18-24 Apr

	Low	High	±
Dubai fob Dubai \$/bl	13.23	22.45	-4.79
Basrah Light fob Basrah \$/bl	16.87	23.47	-4.89
Banoco Arab Medium \$/bl	14.02	20.62	-3.15
Fuel oil HS 180cst fob Singapore \$/t	104.75	139.25	-39.62
Fuel oil HS 380cst fob Singapore \$/t	101.50	135.25	-38.75
Gasoil 0.5% fob Singapore \$/bl	19.60	29.35	-4.30

ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Prices at China main refineries, 18-24 Apr									
Area	Province	Refinery	Grade	Contract price Yn/t	±	Posted price Yn/t	±	Contract price \$/t	Posted price \$/t
Northwest	Xinjiang	Petrochina Karamay	AH-70, AH-90, AH-110, AH-130	4,050	nc	4,450	nc	572	629
			AH-100, AH-140, AH-180	3,900	nc	4,200	nc	551	593
		Sinopec Tahe	90-A	3,050	nc	3,230	nc	431	456
			90-B	2,900	nc	3,180	nc	410	449
Northeast	Liaoning	Petrochina Liaohe	AH-70, AH-90, AH-110, AH-100, AH-140	1,600	nc	2,000	nc	226	283
		Panjin Northern	AH-90, AH-110, AH-100, AH-140	3,200	nc	3,850	nc	452	544
North	Hebei	Petrochina Qinhuangdao	AH-70, AH-90	3,200	nc	3,700	nc	452	523
Central	Henan	Sinopec Luoyang	AH-90	2,880	nc	2,940	nc	407	415
East	Shandong	CNOOC asphalt	AH-70, AH-90	3,380	nc	3,700	nc	478	523
		Sinopec Qilu	70 -A	2,870	nc	3,100	nc	405	438
			90 -A, 70-B	2,870	nc	3,100	nc	405	438
			90-B	2,670	nc	3,050	nc	377	431
	Zhejiang	Sinopec Zhenhai	70-A, 90-A	2,490	nc	2,560	nc	352	362
			70-B, 90-B	2,490	nc	2,560	nc	352	362
		Petrochina Wenzhou	AH-70, AH-90	2,700	nc	3,090	nc	381	437
		Shanghai	Sinopec Shanghai	AH-70	2,900	nc	3,040	nc	410
	Jiangsu	CNOOC Taizhou	AH-70, AH-90	3,450	nc	3,600	nc	487	509
		Sinopec Jinling	70-A, 90-A	2,720	nc	2,800	nc	384	396
		Petrochina Xingneng	70-A, 90-A	2,600	nc	2,970	nc	367	420
		Jangyin Alpha	70-A, 90-A	2,500	nc	2,820	nc	353	398
South	Guangdong	Sinopec Maoming	70-A, 90-A	2,780	nc	2,850	nc	393	403
		Sinopec Guangzhou	70-A, 90A	2,640	nc	2,700	nc	373	381
		Petrochina Gaofu	AH-70, AH-90	3,180	nc	3,350	nc	449	473
		West	Sichuan	CNOOC Luzhou	AH-70, AH-90	3,800	nc	3,800	nc

Bitumen freight, 18-24 Apr				\$/t
Singapore-east Australia	125	135	nc	
Singapore-west Australia	75	80	nc	
Singapore-Gresik, Indonesia	30	35	nc	
Singapore-south China	50	55	nc	
Singapore-east China	60	70	nc	
Thailand-south China	45	50	nc	
Thailand-east China	40	45	nc	
Thailand-east Australia	110	115	nc	
Thailand-west Australia	60	65	nc	
Taiwan-Ho Chi Minh, Vietnam	36	38	nc	
Taiwan-Haiphong, Vietnam	30	35	nc	
South Korea-east China	35	40	nc	
South China-Haiphong, Vietnam	23	25	nc	

least \$70/t to high-sulphur fuel oil (HSFO) 180cst, which may prompt refiners to look at bitumen production.

Tank truck negotiations have virtually halted on the back of the standstill in project works due to the extension of the

lockdown in Malaysia until 12 May. Singapore refiners have not moved any trucks to Malaysia since mid-March and prices have remained flat at \$200-210/t ex-refinery for four straight weeks. Trucks in Johor were being offered at around \$230/t ex-tank Tanjung Langsat.

Malaysia

The ongoing Movement Control Order (MCO) restriction further extended for the third time until 12 May, road construction activity and truck movements have been kept to a minimum.

Construction firms are to seek special permits to operate under the MCO, with projects that are already 90pc completed or of a smaller scope, below 200 million ringgit (\$48 mn) seeing a higher probability of being able to obtain permits, as the government attempts to lessen workforce levels on site.

The state-owned refiner kept domestic prices flat at around 1,200 ringgit/t, but explained that there is no lifting from the refinery. Inventories are high for the refiner, who

ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

has been exporting cargoes in the region. The refiner has been cutting runs as it looks to manage inventory thanks to weak demand.

There were no truck lifting from Klang as road construction activities remain slow. With a lack of visibility on immediate demand and deliveries, market participants are mostly staying on the sidelines.

Thailand

Export prices were maintained at \$170-180/t fob Thailand.

Buying interest for May-loading cargoes remain firm from China, but bids remain weak on the back of falling crude prices.

Thai refiners have lowered the refinery run rates with bitumen production likely to be lowered by 10-15pc for May.

Domestic demand has started to pick up in Thailand as contractors lock volumes with the budget being released. Domestic demand in Thailand is expected to pick up for May. Domestic prices were maintained.

Indonesia

Domestic demand remained mostly subdued due to the ongoing travel restrictions across most parts of the country.

Road works have also slowed down with the start of the fasting month of Ramadan.

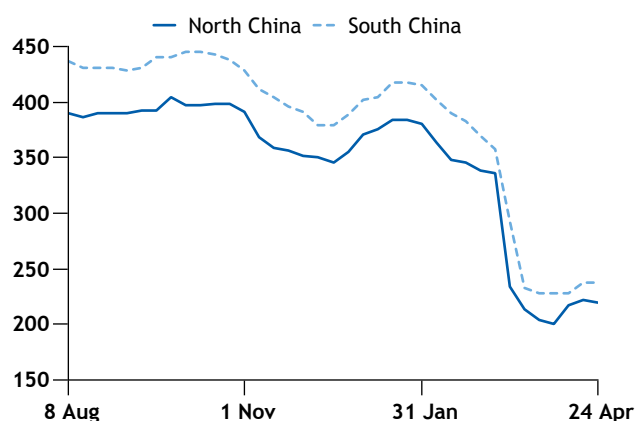
Importers were on the sidelines explaining bitumen inventories are high with pace of works remaining slow.

A fresh round of budget cuts in infrastructure spending has further hampered negotiations. Indonesia has lowered its infrastructure spend by nearly 50pc as it diverts funds towards fighting Covid-19.

It remains uncertain that importers will seek spot cargoes, being likely to lift only term cargoes.

Delivered cargoes: North and South China

\$/t



Australia import cargo prices, 18-24 Apr			\$/t
	Low	High	±
Thailand fob (Class 170)	195	200	nc
Thailand fob (Class 320)	200	205	nc
Singapore fob (Class 170)	195	205	nc
Singapore fob (Class 320)	200	210	nc

Mideast Gulf to India freight rates			\$/t
	Low	High	±
Bandar Abbas/ Nhava Sheva (drums)	4	6	nc
Bandar Abbas/ Mundra (drums)	4	6	nc
Bandar Abbas/ Haldia (drums)	33	35	nc
Bandar Abbas/ Mundra (bulk)	61	62	nc
Bandar Abbas/ Karwar (bulk)	63	65	nc
Bandar Abbas/ Kakinada (bulk)	90	95	nc
Bandar Abbas/ Haldia (bulk)	100	105	nc

Vietnam

Domestic demand in Vietnam remains muted with high inventories.

Quarantine measures on intra-city travel has been lifted, with construction firms gradually recovering, although at least one market participant has not resumed business operations and have remained closed for the past three weeks.

Two importers are working on second-half of May loading cargoes, with firm bids at \$220/t cfr south Vietnam, which netbacks to \$180-185/t fob Singapore. Offers into Vietnam emerged at around \$230/t cfr south Vietnam, this netback to around \$195-200/t fob Singapore. No deals were concluded.

Buyer remains unwilling to meet offers some above \$210/t cfr north Vietnam, which netbacks to \$175-180/t fob Taiwan.

South Korea

South Korea export prices were assessed lower by \$2.50/t at \$185-190/t fob on the back of a recently concluded tender.

A 580,000 b/d South Korean refinery has concluded a tender on 21 April, three export cargoes at premium of \$50/t to HSFO 180cst, this translates to around \$184-185/t fob. Volumes are headed to east China.

The refinery also issued a tender concluding on the 24 April, for June and July-loading. Around 10-13 cargoes per month are expected to be loaded from the refinery. Prices were not available, but bids were around \$40/t premium to June and July HSFO 180cst prices.

ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Iranian export sales through the IME, 18-23 Apr					
Grade	Seller	Price Rials/kg	Packing	Volume t	Destination
VG30, Pen 60/70	Black Gold	17,371	Bulk	11,500	Export by truck ex-Esfahan
	Hamoon Gostar	17,371	bulk	3,000	DAT Afghanistan
	Bitumen Hormoz Pars(BHP)	18,240	Bulk	4,000	Export by ship ex-Bandar Abbas
	Siah Fam	27,539	Drum	9,000	Export by ship ex-Bandar Abbas
	Oxin Tejarat	14,040	Bulk	1,200	Export by truck ex-Esfahan
	MTA	18,240	Bulk	8,000	Export by ship ex-Bandar Abbas
	Reyoniz Artan	18,240	Bulk	7,000	Export by ship ex-Bandar Abbas
	Kasra Bitumen	19,650	Bulk	6,600	Export by ship ex-Bandar Abbas
	Petro Akam Pasargad	23,571	Drum	160	Export by truck ex-Tehran
	Akam Bitumen	17,371	Bulk	8,000	Export by truck ex-Esfahan
	Roham Sperlus	22,000	Bulk	320	Export by truck ex-Jolfa
	Hormozan Oil	18,240	Bulk	2,700	Export by ship ex-Bandar Abbas
	Shimi Tejarat Naghsh Jahan	19,569	Drum	1,300	Export by truck ex-Esfahan
	Takin Petroleum	23,500	Bulk	1,000	Export by truck ex-Tabriz
	Negin Gum Pars	17,371	Bulk	1,151	Export by truck ex-Tabriz
	West Asphalt and Bitumen	22,100	Bulk	320	Export by truck ex-Kermanshah
	Behnod Sanat Birjand	17,371	Bulk	200	Export by truck ex-Birjand
	Behin Taghtir	17,371	Bulk	200	Export by truck ex-Aras
RC70	Petro Palayesh Sahand	14,349	Bulk	220	Export by truck ex-Tabriz
	Rah Andod Makan	17,371	Bulk	2,000	Export by truck ex-Esfahan
	Ayegh Esfahan	17,371	Bulk	1,700	Export by truck ex-Esfahan
	Ghir Mad Gostaran	17,371	Bulk	1,500	Export by truck ex-Esfahan
	Mahan Palayesh	17,372	Bulk	340	Export by truck ex-Garmsar

Chinese buying was muted due to sharp volatility in crude prices. Cargoes from South Korea to east China are mostly heading at around the \$230-235/t cfr, this netback to around \$185-190/t fob.

Taiwan

Taiwan prices were maintained at \$180-185/t fob.

A private seller is expected to start working on its June term cargoes from 27 April. The refiner has concluded selling all its May term cargoes. May cargoes are mostly moving to Vietnam and Philippines. No additional demand has emerged from Vietnam for May cargoes.

China

Import prices were lower by \$2.50/t at \$215-225/t cfr north China, stable at \$220-260/t cfr east China and unchanged at \$230-245/t cfr south China.

Trading activity was thin as importers and end users were on the sidelines after the sharp fall in the WTI May futures contract, curbing buying interest. Buyers who had been in the market seeking cargoes for stockpiling in the week ending 17 April were yet to conclude deals.

Negotiations for May-loading cargoes were thin, and fewer deals emerged. Fewer bids for June supplies have emerged, adding pressure on inventory levels.

Construction activity in the north remains slow and is expected to pick up in the third quarter, with warmer weather.

An east Chinese trader has been awarded a May-loading cargo from the 580,000 b/d refinery's tender that concluded on the 21 April, at \$183-184/t fob South Korea. Volumes will likely move into tankages. Another east Chinese trader was awarded two remaining cargoes from the same refinery. Cargoes are mostly landing at around the \$230-235/t cfr east China, this netbacks to around \$185-190/t fob South Korea for May.

Road construction activities are seeing a slight momentum, but tighter availability of funds for the end users has kept activities slow. Credit availability remains a concern in the China market.

Negotiations for May-loading cargoes from south China importers remained thin as importers are mostly lifting term cargoes. Ongoing road construction projects are hindered by occasional rains. Market participants are holding off on negotiations ahead of the monsoon season, which begins in May-June. Most point to limited bitumen storage availability and few traders were in the market seeking cargoes.

Australia

Domestic demand was firm across the country with ongoing road construction activities.

ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Importers are ready to work on June-loading supplies, but were yet to receive offers.

New Zealand has lowered its alert from four to three effective 27 April as the coronavirus situation looks to improve. The lowering of the alert level will allow road construction activities to resume from Monday.

The 12,000t *Zhuang Yuan Ao* is expected to discharge cargo in Sydney in the week ending 26 April. The cargo was loaded from Ningbo, northeast China.

India

Domestic road construction activity remained weak across the country, despite easing of the lockdown. Road construction activities are allowed after 20 April, but workers are still not allowed to move inter-state within the country for project works.

Construction activities at a slow pace have started in the states of Karnataka and Telangana, which may help ease inventory pressures in Karwar and Haldia.

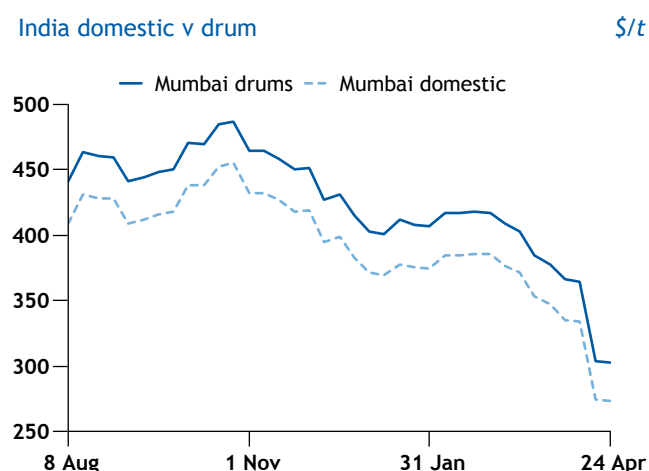
Bitumen inventories are high across the country for refiners as well as importers. Indian refiners have significantly lowered the refinery run rates to manage the inventories. Some bitumen vessels have been waiting for nearly 45-days to discharge cargoes into tanks. Vessels discharging cargoes in India are still expected to complete the 14-day quarantine period inclusive of sailing time.

Negotiations for import cargoes were thin. Refiners were offering discounts to buyers in the range of 2,500-3,000 rupees/t.

Bahrain

Export prices were stable at \$210/t fob Sitrah. The refiner was closely monitoring the market for price movements.

India domestic v drum



Iranian Vacuum Bottom prices from NIOC*, 18-23 Apr					
Refinery	Volume t	Rials/kg		\$/t	
		Low	High	Low	High
Bandar Abbas	64,000	13,883	14,588	90	95
Esfahan	10,000	14,459	15,229	94	99
Shiraz	8,600	13,881	17,175	90	112
Tehran	15,000	15,077	16,058	98	104
Tabriz	no supply			0	0
Abadan	no supply			0	0
Arak	no supply			0	0

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

Iranian domestic sales through the IME, 18-23 Apr		
Grade	Volume t	Price rials/kg
60/70	1,685	18,500-22,000
85/100	0	
Emulsion	0	
200/300	500	21,000
PG6416-PG5816-PG5822	1,450	18,500-21,500
MC250	0	

Volume loadings were ongoing for Saudi Arabia and the UAE. Demand in the Mideast Gulf remains slow due to extended lockdowns. With the start of the fasting month of Ramadan, road construction activities will be slow.

Small truck volumes were loaded for Yemen and Jordan.

Iran

Trading activity picked up momentum on the Iran Mercantile Exchange (IME), but bitumen prices weakened in line with the recent fall in the vacuum bottom feedstock price revisions.

Bitumen prices remain under pressure due to weak demand in the subcontinent, high inventories and lockdowns due to the coronavirus pandemic. Road construction activities across the Mideast Gulf and southeast Asia are expected to slow down with the start of the fasting month of Ramadan.

Deal cancellations emerged as some buyers were re-negotiating cargo prices due to the fall in bitumen prices in Iran. Nearly five bitumen bulk vessels are waiting to load cargoes at the Bandar Abbas port, but weak demand in India has hit trade.

The free market exchange rate on SANA platform was trading at 141,000 rials/\$ and on the government exchange platform of NIMA the rial was at \$155,000/\$.

Bitumen bulk prices were assessed lower by \$14/t at \$110-115/t fob Bandar Abbas. Deals done earlier in the week were sold at \$120-125/t fob Bandar Abbas.

Small truck volumes were sold Azerbaijan and Georgia at

ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

\$195/t ex- Bazargan/Astra borders. Trucks volumes after the feedstock revision was being offered at \$165/t. Exports to Pakistan has fully halted for two weeks.

Road construction activities remain slow in Oman and the UAE. Demand from India remains muted on the back of extended lockdown and high inventories.

A 5,000t of VG30 and pen 60/70 was sold at \$110-115/t fob Bandar Abbas headed to UAE and Oman. A 2,000t of pen 60/70 was sold at \$113/t fob Bandar Abbas, the volume will be bagged and sold into Myanmar, Taiwan and Indonesia. Two small cargoes were negotiated between \$108-110/t fob Bandar Abbas.

In line with bulk cargo movement, drum prices were assessed lower by \$28/t at \$175-180/t fob Bandar Abbas.

Steel coil prices were at around 130,000 rials/kg.

Offers for Iraqi drum cargoes emerged at \$165/t fob Bandar Abbas, but deals were around \$150/t fob. No deals were concluded.

Drum volumes via trucks were sold at \$205/t ex-Dogharon headed to Afghanistan, but suppliers are expecting next deals to be lower by \$30-35/t.

A 2,000t of pen 60/70 was sold at \$175/t fob headed to India and 500t embossed drums at \$195/t fob headed to Tanzania. Another 5,000t cargo of pen 60/70 was sold at \$175/t fob. Around 10,000t drums cargoes were sold at \$200-203/t fob, headed to Myanmar, Indonesia and Vietnam and UAE. A small cargo of pen 60/70 was sold at \$180/t fob headed to Taiwan for May delivery.

On the IME, Jey Oil sold 7,000t of pen 60/70 in bulk at 20,314 rials/kg (\$135/t) ex-Esfahan. Jey Oil sold 3,000t of pen 85/100 at 19,633 rials/kg ex-Esfahan and 3,000t of pen 60/70 in new steel drums was sold at 30,012 rials/kg (\$200/t) ex-Esfahan, up by \$17/t week-on-week.

Pasargad Oil and Jey Oil both will be offering cargoes on the IME on 26 April from its refineries in Bandar Abbas and Esfahan respectively.

Iran local market

Feedstock prices were lowered by 19pc by the Oil Refining Industry Contractors Association (Orica). The drop in prices were done in line with the recent fall in crude and HSFO prices.

Buying interest was strong and 154,650t demand was registered on the IME, while 97,600t VB feed was purchased by competition from the buyers.

Bandar Abbas refinery sold 64,000t of VB feed at 14,061-19,050 rials/kg, down about 5,000 rials/kg week-on-week.

Esfahan refinery sold 10,000t VB feed at 14,577 rials/kg down by 5,100 rials/kg week-on-week.

Tehran refinery sold 15,000t VB feed at 15,361 rials/kg, down by 4,500 rials/kg compared to last deals.

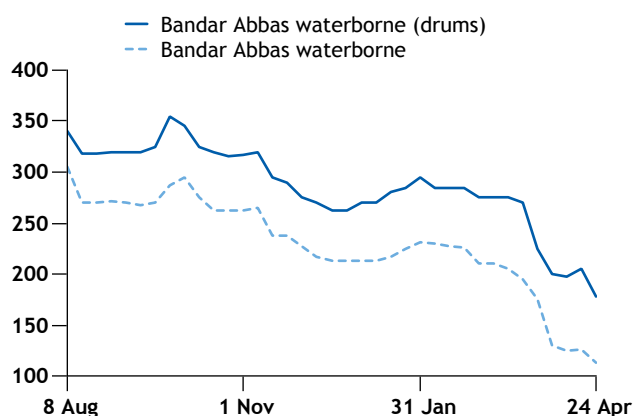
Shiraz refinery sold 8,600t VB feed at 13,881-17,175 rials/kg. No feedstock was supplied from Tabriz, Abadan and Arak refineries.

Domestic demand remained weak by road contractors, but buyers in the waterproofing industry were purchasing volumes on the IME. Producers sold 3,635t of different products at 18,500-22,000 rials/kg excluding vat on IME.

■ Asia Pacific and Middle East bitumen prices and commentary will be published a day earlier on 30 April on Argus Direct because of the Labour Day holiday on 1 May in Singapore. Bitumen AOM will run on 30 April from 2-4pm Singapore time. The Argus Bitumen report will publish as usual on 1 May. The following week Asia Pacific and Middle East prices and commentary will publish on 6 May on Argus Direct because of the Vesak Day holiday on 7 May in Singapore and a holiday in London on 8 May. The Argus Bitumen Report will publish on 7 May, a day earlier than usual. Bitumen AOM will run on 6 May Wednesday 2-4 pm Singapore time. For further details contact Asia Asphalt Editor, Aabha Gandhi at Aabha.gandhi@argusmedia.com

Bandar Abbas: drums and bulk

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VESSEL TRACKING INDICATIONS

Bitumen freight movements						
Vessel name	Owner	Tonnage	Loading port	Discharge port	Current position	ETA
Da Ming Shan	FORTUNE TIANHE SHIPPING LTD	12,980	Tarragona	Cadiz, Spain	Med	22-Apr
The Deputy	Trafigura	5,895	Antwerp	Progreso, Mexico	Atlantic	6-May
Asphalt Seminole	Trigent Petroleum	8,999	Izmit	Galati, Romania	Black Sea	22-Apr
Bitfjord	ABC Maritime	4,900	Rotterdam	Bayonne, France	Northwest Europe	23-Apr
Ain Zeft	Hyproc Shipping	4,999	Augusta	Algiers, Algeria	Med	21-Apr
Iver Agile	Petrolmar SPA	5,765	Livorno	Mohammedia, Morocco	Med	24-Apr
San Bacco	ABC Maritime	4,995	Brunsbuettel	Helsingborg, Sweden	Baltic Sea	23-Apr
San Benedetto II	ABC Maritime	4,900	Cadiz	Valletta, Malta	Med	27-Apr
Xing Hai Wan	COSCO SAs	6,123	Arinaga	Mohammedia, Morocco	Med	23-Apr
Palanca Cadiz	Wisby Tankers - Operated by Trafigura	14,953	Cadiz	Newport, Wales	Northwest Europe	25-Apr
Stolt Fuji	Stolt Tankers	6,065	Antwerp	Tromso, Norway	Northwest Europe	28-Apr
Bitu Express	Pickett shipping corp	49,282	Agio Theodori	Lome, Togo	Med	9-May
Poestella	Bilsea	7,499	Augusta	Algiers, Algeria	Med	26-Apr
Jastella	Xiang International Shipping	7,995	Singapore	Qinzhou, China	Southern Vietnam	23-Apr
Janesia Asphalt V	Leo Ocean Pte Ltd	6,057	Singapore	Beihai, China	Gulf of Tonkin	20-Apr
FS Bitumen No 2	Simosa Oil Company Limited / Simosa Shipping	7,769	Singapore	Qinzhou, China	Southern Vietnam	23-Apr
Da Heng Shan	Max Prime International	5,270	Singapore	Maoming, China	Malacca Strait	26-Apr
Cosmic 10	NASIONAL JAYA ABADI	2,996	Singapore	Rayong, Thailand	Sunda Shelf	20-Apr
Baustella	Bernhard Schulte	7,995	Nantong	Sydney, Australia	West Caroline Island	1-May
Rong Hua Wan	COSCO Shipping Asphalt Hainan	7,634	Rayong	Brisbane, Australia	Central and Southern Great Barrier Reef	23-Apr

NEWS

Covid-19 limits southeast Asian construction

Southeast Asia construction activity has stalled, as governments remained focused on containing the Covid-19 outbreak. Lockdown measures have seen the construction industry suffer markedly, weighing on negotiations for bitumen loading.

Malaysia, which has extended its movement control order (MCO) for the third time, announced an extension from 28 April to 12 May. The MCO keeps road construction activity and truck movements to a minimum.

Malaysian bitumen importers last took 1,620t from Singapore in the week ending 3 April. First-quarter Malaysian imports from Singapore were around 75,951t, up by nearly 67pc from a year earlier. No bitumen tanker trucks have moved to Malaysia from Singapore this month.

This comes on the back of a 22 April announcement allowing certain Malaysian construction projects to resume, in particular those already 90pc complete, as well as smaller

projects by contractors within the “G1” and “G2” categories valued below 500,000 ringgit (\$115,000). Market participants previously seeking bitumen cargoes for projects have now retreated to the market sidelines, concerned about the lack of visibility over deliveries and immediate demand.

Singapore on 18 April imposed a mandatory 14-day stay home notice for 180,000 foreign construction workers that make up the bulk of the road construction industry. Market participants reported a “possible deadlock” for the construction industry in the coming weeks, at least until the coronavirus situation in foreign worker dormitories can be contained. Domestic sellers report slower loading and limited negotiations in the week ending 24 April. Singapore bitumen exports for April are 223,510t, up by 13pc from a year earlier.

Indonesia's government has announced its intention to divert nearly 30pc of its allocated infrastructure budget for public works to battling Covid-19. Contractors expect budget cuts to significantly limit roading projects and bitumen demand for the rest of the year. Roading projects typically peak the month after the Islamic fasting month of Ramadan over 23 April-23 May. But importers expect construction activity after Ramadan to match pre-coronavirus levels of the same period last year.

Vietnam's quarantine measures have created problems for tanker trucks moving bitumen into city-based projects in northern Vietnam. Individuals travelling between cities have to self-isolate for 14 days, making it difficult to truck supplies from coastal ports such as Haiphong and Cai Lan. Restrictions on movements were loosened slightly in smaller

North Sea Dated diff Maya

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**The Effects of Coronavirus on Markets**

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Argus successfully completes annual losco assurance review

Argus has completed the eighth external assurance review of its price benchmarks covering crude oil, products, LPG, petrochemicals, biofuels, thermal coal, coking coal, iron ore, steel, natural gas and biomass benchmarks. The review was carried out by professional services firm PwC. Annual independent, external reviews of oil benchmarks are required by international regulatory group losco's Principles for Oil Price Reporting Agencies, and losco encourages extension of the reviews to non-oil benchmarks.

For more information and to download the review visit our website <https://www.argusmedia.com/en/about-us/governance-compliance>

NEWS

Vietnamese cities yesterday. The construction industry is slowly recovering but at least one local market participant's operations remain closed for the third straight week.

EGPC seeks two bitumen cargoes for May

Egyptian state-owned EGPC has issued a fresh tender seeking two 4,000-7,000t bitumen cargoes for May delivery into its Alexandria terminal.

Bids by competing suppliers into the tender have to be submitted by 27 April, with the award expected to be made three days later.

The tender for the usual pen 60/70 bitumen used in

Egypt specifies 11-13 and 15-17 May delivery of the two cargoes. It follows a stepping up of bitumen imports by EGPC with a deal to buy six 4,000-7,000t cargoes from Egyptian trading firm Triumph. Those volumes are being supplied in larger consignments by an international oil trading firm – each consignment of around 11,000t – on board the 12,972 dwt *Da Hua Shan*.

The first of those shipments – meeting demand for higher rates of Egyptian road project activity in Egypt after an earlier Covid-19 related halt – was loaded at the Motor Oil Hellas export terminal in Agio Theodori, Greece, and delivered into Alexandria on 13 April, with the tanker currently loading the second volume at Agio Theodori. That cargo, and a third expected by trading and shipping firms to follow on the same route, are scheduled to complete the shipments under the Triumph deal with EGPC.

Japan's March bitumen imports rise

Japan's bitumen imports rose to a four-month high in February, as contractors looked to complete projects before the end of the 2019-20 fiscal year at the end of March.

Japan imported 14,585t in February, mostly from South Korea, against 8,675t the previous month, but down from 22,515t a year earlier. Bitumen imports during April 2019-February 2020 totalled 127,145t, down by 22.3pc from 163,566t in the same period a year earlier.

But the spread of Covid-19 in Japan has now halted road-building projects, leading to a near standstill for the construction industry and further weighing on bitumen demand. Roading contractors such as Shimizu and Kajima Road from 13 April have moved to curb site work.

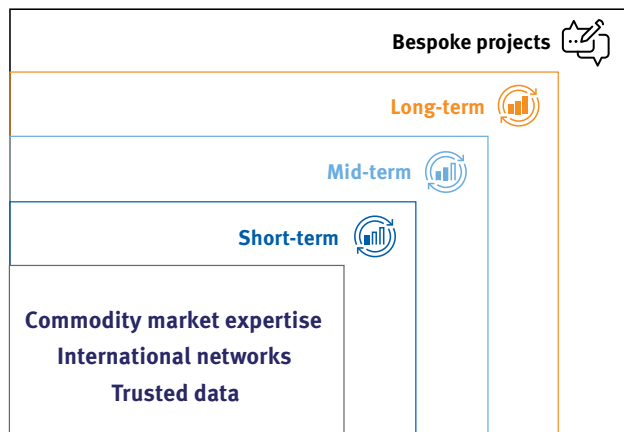
New projects will now be delayed indefinitely. Most in the construction industry remain pessimistic about when operations will resume, while more consumers have started to hold off on future bitumen purchases.

Tokyo's 2020 Summer Olympic, now postponed for a year because of Covid-19, had spurred construction projects and boosted demand for bitumen. But bitumen demand will gradually slow with the completion of these projects that had wrapped up earlier this year.

The bearish outlook has seen domestic prices cut twice since the start of this year. Japanese refiner JXTG Nippon Oil & Energy reported slower bitumen sales in the week ending 10 April. It had already cut domestic prices in April by ¥11,000/t, settling at ¥31,513-39,619/t fob, after cutting them in March by ¥3,705/t fob.

The government now plans to divert its budget from construction projects into healthcare, market participants said,

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as well as compensating businesses forced to suspend operations because of the coronavirus disruptions. This may eat into the government's scope for infrastructure investment in 2020-21, which will further weigh on bitumen demand.

The country's bitumen consumption in February totalled 162,432t, up by 1.9pc from last month but down by 4.1pc from February last year.

The country's bitumen stocks at the end of February were 216,893t, down by 3.4pc from the previous month but up by 9.4pc in the same period last year.

Japan did not export any bitumen for February or in the same month last year. January saw 9,040t of bitumen exported, with 9,000t moving into China. Exports during April 2019-February 2020 totalled 54,436t, down by 30.4pc from 78,220t a year earlier.

Japan's bitumen production in February fell to 221,755t, down by 24.9pc from January at 295,097t and by 14.8pc from the previous year.

SMB cuts Abidjan bitumen refinery output

Ivory Coast bitumen producer SMB has cut production at its 520,000 t/yr (10,500 b/d) Abidjan refinery by a third in response to a dramatic fall in construction activity and bitumen import requirements across west Africa.

The demand slide, caused by a series of strict lockdown measures imposed by governments across the region as they combat the Covid-19 pandemic, has slowed SMB's export cargo business to west African markets – including Ghana and Cameroon – to a crawl. Just two or three 5,000t cargoes will have been exported from Abidjan this month, with a further drop anticipated next month.

The Nigerian lockdown has had the biggest single regional impact on bitumen demand in west Africa. President Muhammadu Buhari recently extended the lockdown in the three key states of Lagos, Ogun and Abuja by two weeks to 27 April, halting most road project work in the 300,000 t/yr bitumen market, all of which is imported.

Ivory Coast itself, which last year consumed around 100,000t of bitumen with numerous road and highway projects, is one of the few countries in west Africa where construction work has been largely unrestricted by any government lockdown measures, providing a sizeable outlet for SMB's bitumen volumes.

The refiner usually imports a 700,000-1mn bl cargo of bitumen-rich Latin American crude every two months, with Colombian Castilla the usual grade it has taken over the past year. But the interval between those cargo imports is now around three months, with the Ivory Coast refiner now look-

ing to take cargoes towards the lower end of that size range.

Chinese bitumen futures extend slide

Chinese bitumen futures on the Shanghai futures exchange (SHFE) extended their slide for a second straight trading session on 21 April in the face of crude market volatility.

The heavily traded main June, September and December SHFE bitumen contracts fell by 8pc to 1,832 yuan/t, by 7.5pc to Yn1,976/t and by 7pc to Yn2,114/t respectively from Yn1,994/t, Yn2,136/t and Yn2,272/t the previous session.

Participants have remained firmly on the market sidelines, expecting falling bitumen prices to continue with soft demand and continuing crude price volatility. Inventories for bitumen stocks remain high.

Volumes will only be lifted on a need-to basis with fewer negotiations. Importers point to limited storage availability for bitumen. Downstream construction activity has restarted, but fund availability for roading projects remains limited as parts of China emerge from a near two-month lockdown imposed to contain the Covid-19 outbreak.

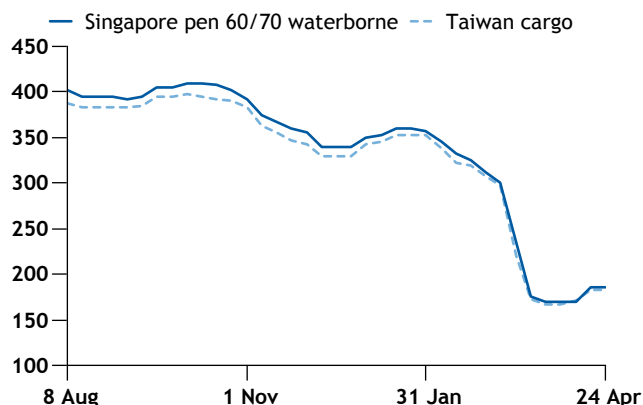
A south China trading firm is in the market seeking prompt loading cargoes for 5,000-10,000t of pen 60/70 bitumen stocks for project specific needs. At least three key importers from east and south China remain bearish about bitumen demand for the rest of this year's first half.

Russian export duty tumbles

Russian oil export duties will drop to 20-year lows in May following the recent collapse of global oil markets. Crude duty drops to just \$6.50/t (90¢/bl) from \$52/t in April and rates for products also fall sharply, including for bitumen, which will fall along with other heavy products, from around \$52/t to \$6.80/t in May.

Singapore cargo vs Taiwan cargo

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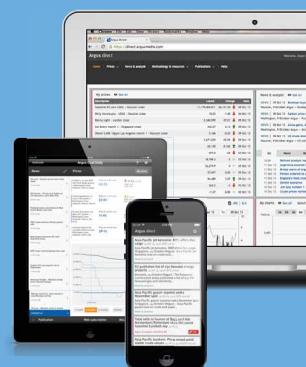
Export duty is calculated based on monthly monitoring of Argus-assessed Urals prices. The reduction is good news for oil companies that face a significant drop in oil export revenue, but it will deprive the state of crucial funding. Export duty is channelled into Russia's National Wealth Fund, which Moscow will have to draw on to cover a shortfall in budget revenues, finance minister Anton Siluanov said last month.

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