

## SUMMARY

Several domestic and inland truck export prices in Germany and across central Europe rose sharply ahead of anticipated monthly price gains for November supplies in key northwest European markets, while Asia-Pacific prices held firm and Iranian export prices jumped.

The Asian bitumen market remained firm on the back of snug supply conditions in southeast Asia and the Middle East, with Iranian drummed and bulk cargo export prices surging again to add to hefty recent gains. Demand was mostly steady with signs of recovery seen in parts of southeast and south Asia.

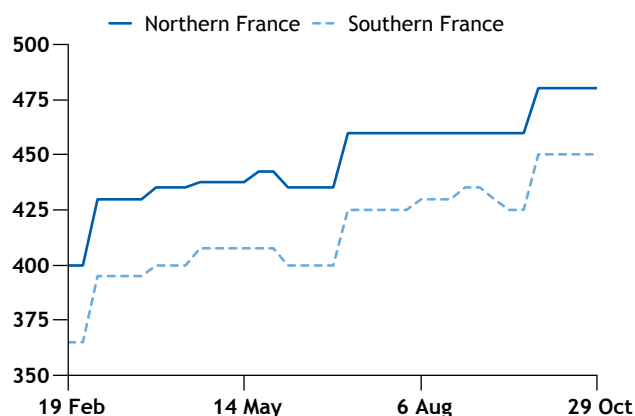
Production in Singapore dropped for November with the curtailment in SRC's plant since the 23-24 October weekend. Production issues affecting parts of the Singapore-based refinery forced the producer to reduce output for November.

Across Germany, as well as in markets like Poland, Czech Republic, Hungary and Romania, truck prices strengthened for both domestic and export flows as refinery suppliers sought to catch up with recent sharp gains in crude and fuel oil prices.

Southern African bitumen prices were expected to rise sharply as South African refiners prepared to substantially raise their monthly domestic prices for November that routinely translate into parallel gains in South export values to its regional neighbours. Delivered prices into east Africa for Iranian bitumen rose sharply in late October, while Spanish and Ivory Coast cargo export prices to west African destinations dipped.

France: North vs South

\$/t



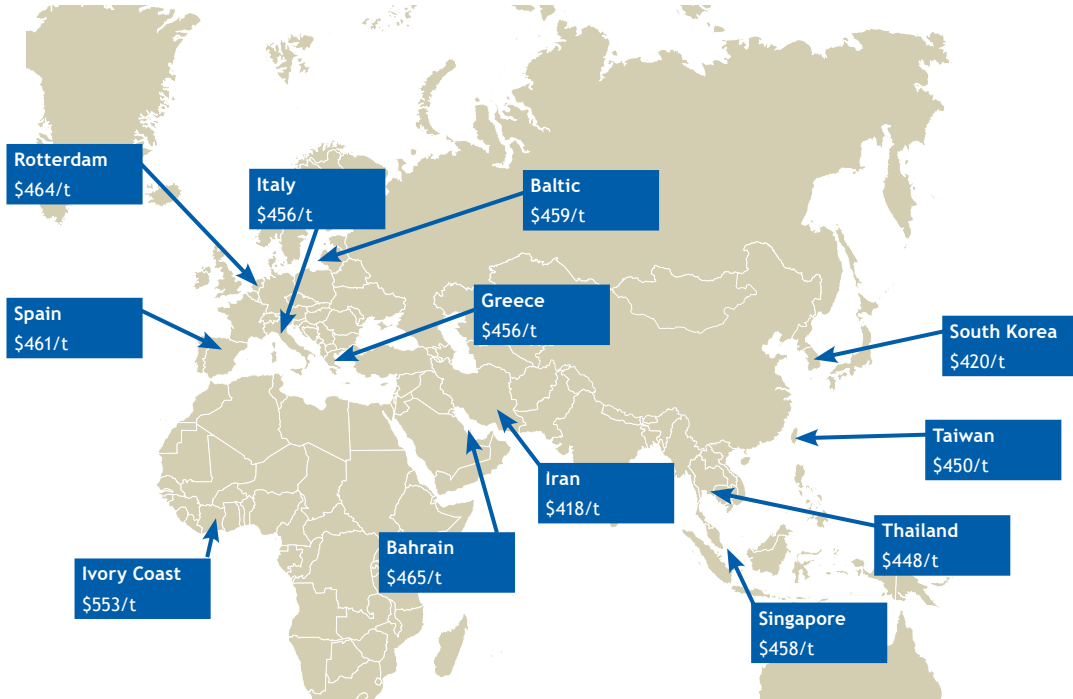
## PRICES

Bitumen prices at key locations, 23-29 Oct			\$/t	
		Low	High	±
<b>Export cargo prices fob</b>				
Mediterranean		450.03	454.03	-14.45
Rotterdam		461.60	466.60	-14.25
Baltic		456.60	461.60	-14.25
Singapore		455	460	+5.00
South Korea		415	425	nc
Mideast Gulf		418	465	+20.00
<b>Delivered cargo prices cfr</b>				
North Africa	Alexandria, bulk	489	499	-10.00
East Africa	Mombasa, drum	560	570	+37.00
West Africa	Lagos, bulk	604	614	-9.00
East China coast		445	520	+2.50
<b>Domestic prices</b>				
Antwerp	ex-works	488	506	nc
Southern Germany	ex-works	465	483	+23.50
Hungary	ex-works	488	500	+23.00
Italy	ex-works inc tax	535	547	+12.00
Indonesia	ex-works	447	447	-2.00
Mumbai	bulk	540	587	+0.50

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**WATERBORNE BITUMEN PRICES, FOB**



**CARGO FLOWS**

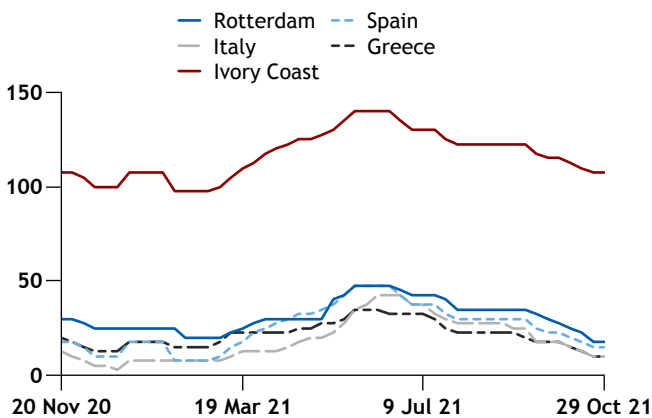
While demand continued to slow in Scandinavia, cargoes continued to move around the Baltic region supporting end-of-season activity.

The 7,207 dwt *Bit Force* loaded a cargo from Nynashamn, Sweden, for discharge into Naantali, Finland, on 23 October, while the 6,065 dwt *Acacia Rubra* loaded a cargo from Lomonosov, Russia, for discharge into Newport, Wales, by 1 November.

The 8,297 dwt *Stella Polaris* also loaded a cargo from Lomonosov but for discharge into a Thames terminal in the UK by 30 October.

The 30,100 dwt *The Blacksmith* was loaded from Izmir, Turkey, for discharge into Cadiz, Spain, by 1 November.

Waterborne markets, differential to HSFO \$/t



Europe and Africa cargo export differentials to crude			
	Differential to Ice Brent \$/t	Differential to Ice Brent \$/bl	±
Mediterranean, basis Augusta	-189.51	-11.93	-2.84
Rotterdam, Netherlands	-177.44	-9.98	-2.81
Baltic	-182.44	-10.79	-2.81
Spain	-180.84	-10.53	-2.84
Italy	-185.84	-11.341	-2.84
Greece	-185.84	-11.34	-2.84
Albania	-215.84	-16.20	-2.84
Ivory Coast	-88.34	4.46	-2.84

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

Europe and Africa cargo export differentials to HSFO \$/t			
	Low	High	±
Mediterranean, basis Augusta	+4.33	+8.33	nc
Rotterdam, Netherlands	+15.00	+20.00	nc
Baltic	+10.00	+15.00	nc
Spain	+13.00	+17.00	nc
Italy	+8.00	+12.00	nc
Greece	+8.00	+12.00	nc
Ivory Coast	+105.00	+110.00	nc

## NORTH AND CENTRAL EUROPE MARKET COMMENTARY

### Summary

A raft of domestic and inland export price hikes affected Germany and several central European markets as refinery suppliers sought to recoup recent sharp gains in their feedstock costs.

Huge gains in crude and high-sulphur fuel oil prices during October, compared with September levels, were also expected by buyers and sellers on key northwest European markets like Germany, Benelux and France to trigger hefty domestic truck price hikes for November supplies. A late October dip in crude and fuel oil values, coupled with a rebound in the value of the euro versus the US dollar, could take the edge off some of the anticipated price hikes, as could a possible late season dip in activity and bitumen demand from mid-November onwards.

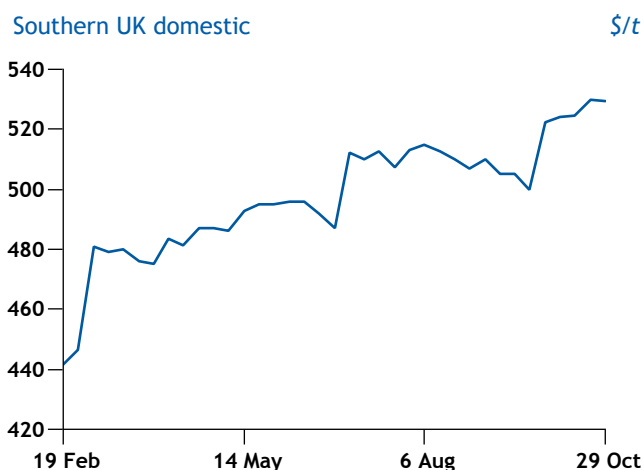
Average HSFO barge prices from 1-28 October stood at \$461.75/t fob Rotterdam, up \$52.25/t from \$409.50/t in September.

While monthly deals for November were yet to be completed, German domestic prices rose sharply in late October, the latest in a series of upward intra-month revisions during October. Domestic prices in Hungary, Romania and the Czech Republic rose sharply in the last week of October, as did export prices to Romania and Germany.

Bitumen cargo prices dipped as fob Rotterdam HSFO barges retreated in late October, while Rotterdam and Baltic cargo premiums to those values were assessed unchanged at \$15-20/t and \$10-15/t fob respectively.

### UK/Ireland

Domestic truck prices were assessed unchanged at £380-390/t ex-works and £395-405/t delivered into southern UK destinations, with some buyer indications that fading late year activity and demand could see little or no change in



### North and central Europe bitumen prices, 23-29 Oct

	€/t			\$/t		
	Low	High	±	Low	High	±
<b>Domestic prices, ex-works</b>						
Southern UK £/t	380	390	nc	523	536	-0.50
Rotterdam, Netherlands	420	435	nc	488	506	nc
Antwerp, Belgium	420	435	nc	488	506	nc
Northern Germany	400	410	+10.00	465	477	+12.00
Northeast Germany	395	410	+10.00	459	477	+11.50
Southern Germany	400	415	+20.00	465	483	+23.50
Southwest Germany	385	395	+10.00	448	459	+11.50
Western Germany	395	405	+10.00	459	471	+11.50
Hungary	420	430	+20.00	488	500	+23.00
Romania	475	490	+22.50	552	570	+26.00
Czech Republic	405	415	+20.00	471	483	+23.50
<b>Export prices, ex-works</b>						
Poland-Germany (truck)	390	400	+10.00	453	465	+11.50
Czech Republic-Germany (truck)	390	400	+20.00	453	465	+23.00
Poland-Romania (truck)	400	410	+20.00	465	477	+23.50
Hungary-Romania (truck)	445	455	+20.00	517	529	+23.00
Rotterdam (cargo)				461.60	466.60	-14.25
Baltic (cargo)				456.60	461.60	-14.25
<b>Domestic prices, delivered</b>						
Southern UK £/t	395	405	nc	543	557	-0.76
Brussels	430	445	nc	500	517	nc
Northern France	475	485	nc	552	564	nc
Central France	475	485	nc	552	564	nc

### Crude and refined products, 23-29 Oct

	Low	High	Average	±
Ice Brent minute marker week range \$/bl	83.80	86.59	85.198	+0.50
Fuel oil 3.5%S, fob RMG barge \$/t	431.75	466.75	446.600	-14.25
Urals cif Rotterdam \$/bl	81.70	84.39		+0.58
Fuel oil straight-run 0.5% fob cargo \$/t	600.00	626.75		+4.63
Fuel oil straight-run M-100 cif cargo \$/t	472.25	506.25		-9.38
Vacuum gasoil 0.5%S cif cargo \$/t	613.75	640.50		+4.50

### Northern Europe cargo freight rates

	Low	High	±
Rotterdam-Thames	22	24	nc
Hamburg-Thames	29	31	nc
Klaipeda-Thames	47	49	nc
La Coruna-Thames	40	44	nc

November prices.

## NORTH AND CENTRAL EUROPE MARKET COMMENTARY

Some producers at least were however expected to push for sizeable gains in the wake of hefty crude and fuel oil gains during October, compared with September levels.

Cargo prices into UK terminals slipped to around \$470/t (£340/t) CFR Thames in the last week of October, when cargo deliveries were being made into Newport, Wales and Thames terminals on board the 6,065 dwt *Acacia Rubra* and 8,297 dwt *Stella Polaris* respectively, both vessels loaded at Lomonosov, Russia.

Irish construction activity and demand remained buoyant, with a cargo moved into Dublin, arriving 27 October, on board the 7,634 dwt *Rong Hua Wan*.

### France

Market participants expected huge gains in French domestic truck prices to take effect from 1 November, given the close linkage in many contracts to HSFO prices that rose dramatically in September from October values.

Price assessments in the last week of October stayed at €475-485/t delivered in the north and centre and at €445-455/t delivered southern France, with gains in the latter region region expected by buyers to outpace those in the former. That was mainly because of especially tight supply in the south caused by unplanned and planned shutdowns respectively at Total's Feyzin and Petroineos' Lavera refineries. While Feyzin was restarted in late October (see news), bitumen supply resumption was expected from early November, when the Lavera refinery is expected to restart after a two-month shutdown.

### Benelux

Producers were pushing for hefty monthly price hikes for November supplies, with domestic truck values assessed unchanged in late October at €420-435/t ex-works.

The timetable for the planned closure of the ATPC bitumen-producing refinery in Antwerp was yet to be determined as VTTI and unions were locked in discussions over the plan.

Some market participants expect the impact of the halt to be limited, given that Vitol had been supplying substantial cargo volumes into Antwerp already this year, a trend likely to be stepped up in 2022 onwards to enable the firm to meet its customer requirements, especially in Belgium and the Netherlands.

### Germany

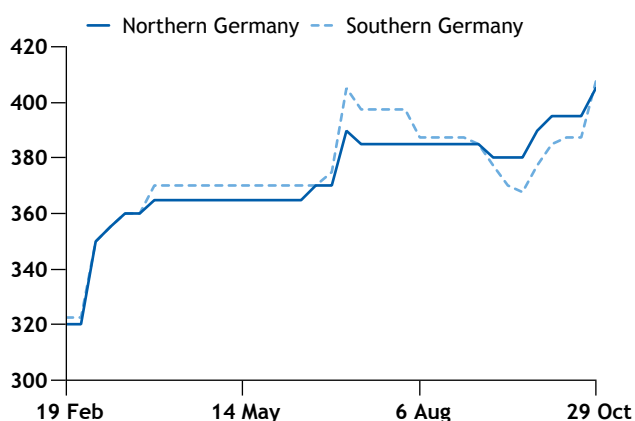
Domestic truck prices were assessed firmer in all German regions, with suppliers continuing to lift their intra-month prices prior to determining their prices for November supply.

In southern Germany, prices were assessed €20/t firmer at €400-415/t ex-works, with one supplier indicating values had been lifted by as much as €45/t with effect from 24 October to the €445-465/t ex-works range after strong demand from and sales into Austria. Other buyers and sellers had yet to indicate such hikes or to conclude agreed prices for their supplies that will take effect from 1 November. The southern Germany price ideas widened the gap with southwest Germany where assessments were €10/t firmer at €385-395/t ex-works as some Miro refinery volumes were offered in the €390-400/t ex-works range. The price of some truck export supplies to France from Miro were raised by €15/t with effect from 26 October to reach €415/t ex-works.

In northeast Germany, truck price gains of €10/t were assessed, taking levels to €395-410/t ex-works. A minor technical issue forced a halt to bitumen production on 21 October as a precaution, with pen 70/100 and 50/70 output resumed on 26 and 27 October respectively, albeit so far into end-October at minimal volumes.

Germany: North vs South

\$/t



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## NORTH AND CENTRAL EUROPE MARKET COMMENTARY

### Poland/Czech Republic

Polish statistical data showed the country's bitumen production stood at 208,000t in September, down 7pc year-on-year, while total production between January and September stood at 1.1mn t, down 10pc year-on-year.

The bitumen output declines so far in 2021 were the greatest, in percentage terms, amongst oil products. Despite that fall, however, market participants said a weak domestic market this year had resulted in supply glut and a search for export markets.

In the current market in late October, refiner Lotos was indicated by market participants to have limited its sales from its Gdansk refinery following a technical issue, but this could not be directly confirmed. PKN subsidiary Unipetrol's Litvinov refinery in the Czech Republic was understood to have limited sales of soft grades while hard grades were also in short supply.

Domestic truck prices on the Polish market were indicated around €435/t ex-Plock and around €405/t ex-works Gdansk, while Polish exports to Germany were assessed €10/t firmer €390-400/t ex-works. Domestic prices in the Czech Republic were assessed up €20/t at €405-415/t ex-works, with Czech exports to Germany also assessed €20/t firmer at €390-400/t ex-works amid some indications up to €425/t.

German exports into Poland were indicated from PCK's Schwedt refinery in the €410-420/t ex-works range.

### Hungary/Romania/Balkans

Regional refinery supply tightened, partly reflecting ongoing maintenance at Lukoil's Burgas refinery as well as a slow-down in export flows from Greece, Poland, and Serbia, and limited availability of Hungarian export volumes.

The tightness saw suppliers in Romania and Hungary raise

their prices, while some market participants were cautious for how long prices may stay elevated, with end-users also reluctant to purchase large quantities after recent sharp gains in those values.

Domestic prices in Romania were assessed up €20-25/t at €475-490/t ex-works, with offers heard as high as €530/t ex-works from Total's Brasov facility. Rompetrol raised its domestic truck prices again, with those values indicated in the €475-480/t ex-works Ploiesti refinery range, while truck supplies from the Black Sea terminal at Galati were indicated at €515/t ex-works.

Construction activity levels in the country were witnessing a late year surge, with constructors racing to complete road paving work before winter arrives. Market participants said spiralling domestic gas prices had driven up energy costs for asphalt-mixing and construction activities, another factor driving firms to speed up rates of work to finish projects as quickly as possible.

Polish truck imports into Romania were assessed up €20/t at €400-410/t ex-works, with offers as high as €425/t ex-Plock from Orlen, while Hungarian exports to Romania were assessed up €20/t to €445-455/t ex-works, with some market participants indicating offers from Mol's Szazhalombatta refinery at €510/t ex-works.

Hungarian domestic prices were assessed up €20/t at €420-430/t ex-works, with good end of season demand and a tighter supply within Hungary and the wider region helping drive up values.

Lukoil's Burgas refinery remained offline with some market participants anticipating a potential restart in the first half of November, but no return dates were yet confirmed.

### Baltics

Activity in some Scandinavian markets continued to slow heading into November, particularly in Finland, while importers in the country were reluctant to book winter-fill volumes citing current values being uneconomical for storage.

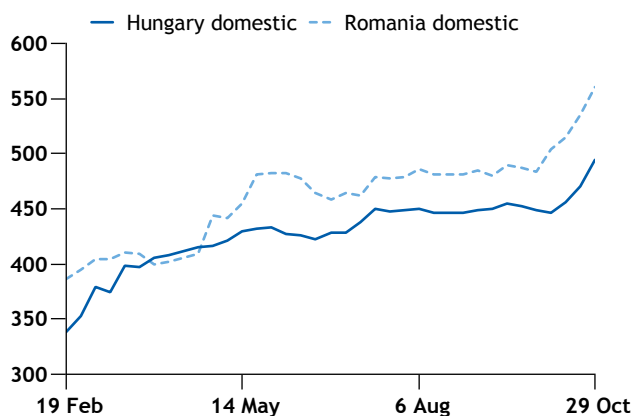
Baltic cargo premiums to fob Rotterdam HSFO barges were assessed unchanged at around \$10-15/t fob.

Posted prices from Orlen's Mazeikiiai refinery were unchanged on the week, having risen sharply by €20/t in the week ending 15 October, with pen 50/70 and 70/100 grades at €410/t ex-works, while pen 100/150 and pen 160/220 were at €425/t ex-works.

The 7,207 dwt *Bit Force* loaded a cargo from Nynashamn, Sweden, for discharge into Naantali, Finland, on 23 October, while the 6,065 dwt *Acacia Rubra* loaded a cargo from Lomonosov, Russia, for discharge into Newport, Wales, by 1 November.

Hungary and Romania domestic

\$/t



## MEDITERRANEAN MARKET COMMENTARY

### Summary

Bitumen cargo premiums were assessed unchanged amidst a stand-off between regional importers seeking to dampen down outright prices in late season demand conditions while suppliers resisted those pressures.

Outright prices in the last week of October fell back as Mediterranean high-sulphur fuel oil (HSFO) cargo values retreated.

Spanish, Greek and Italian export premium assessments were all assessed unchanged, with Greek and Italian flows staying around \$10/t fob premiums to regional HSFO values and Spanish exports at around \$15/t fob.

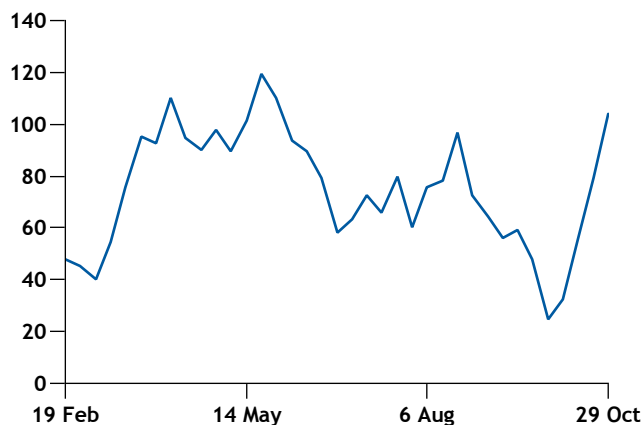
Westbound transatlantic arbitrage routes remained firmly shut with a delivered US east coast prices staying far too low relative to fob Mediterranean values to enable profitable export bookings. No transatlantic bookings or movements were reported in the last week of October, with cargo exporters beginning to turn their attention for west African openings at the start of the region's dry season that's expected to generate a surge in construction work.

No award details emerged yet under Turkish refiner Tupras' export tender for first half 2022 volumes of bitumen and vacuum residue, while Hellenic Petroleum saw little interest for a single 4,000t cargo sell tender loading mid-November.

EGPC awarded its November tender to local Egyptian trading firms at delivered premiums to fob Mediterranean HSFO cargoes of \$29-34/t for five 5,000-6,000t cargoes (see news).

Intra-Mediterranean freight rates were assessed steady, even as open tonnage was set to grow during November, with shipowners standing their ground on rates after sharp recent bunker fuel cost.

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



Mediterranean price index		\$/t		
	Low	High	±	
Mediterranean fob (Augusta)	450.03	454.03	-14.45	
Differential to HSFO	+4.33	+8.33	nc	

Mediterranean bitumen prices, 23-29 Oct						
	Local currency/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
Italy, including tax	460	470	+10.00	535	547	+12.00
Southern France (delivered)	445	455	nc	517	529	nc
Northeast Spain	480	490	nc	558	570	nc
Southwest Spain	480	490	nc	558	570	nc
Izmit, Turkey	5,096	5,096	-111.00	534	534	-26.00
Izmir, Turkey	5,096	5,096	-111.00	534	534	-26.00
Batman, Turkey	5,143	5,143	-110.00	539	539	-26.00
Kirikkale, Turkey	5,143	5,143	-110.00	539	539	-26.00
Export prices, fob \$/t						
Differential to HSFO						
Italy	+8.00	+12.00	nc	453.70	457.70	-14.45
Greece	+8.00	+12.00	nc	453.70	457.70	-14.45
Spain	+13.00	+17.00	nc	458.70	462.70	-14.45
Albania	-22.00	-18.00	nc	423.70	427.70	-14.45
Delivered cargo prices, cfr						
Alexandria, Egypt				489	499	-10.00
Gebze-Mersin, Turkey				483	493	-10.00
Ghazaouet, Algeria				484	494	-10.00
Rades, Tunisia				482	492	-10.00
Economics				Mid		±
Bitumen's value as a fuel oil blendstock \$/t				396.249		-11.95

Crude and refined products, 23-29 Oct				
	Low	High	Average	±
Fuel oil 3.5% 0.998 fob	431.25	465.25	445.700	-14.45
Basrah Light fob Sidi Kerir	81.70	84.49		+0.18
Urals Med Aframax	82.00	84.79		+0.50
Iran Heavy fob Sidi Kerir	77.63	80.42		+0.50
VGO 0.5% west Med cif \$/t	610.25	635.25		+3.63

Mediterranean cargo freight rates			
	Low	High	±
Augusta-Mohammedia	44	47	nc
Tarragona-Mohammedia	31	33	nc
Augusta-Alexandria	41	44	nc
Augusta-Tunis-Rades	24	26	nc
Livorno-Tunis-Rades	28	30	nc
Tarragona-Gazaouet	25	27	nc
Aspropyrgos-Corinth-Agio Theodori-Gebze-Mersin	29	31	nc
Aspropyrgos-Corinth-Agio Theodori-Alexandria	35	37	nc



## MEDITERRANEAN MARKET COMMENTARY

### Algeria/Morocco/Tunisia

Delivered cargo premiums into Algerian and Morocco were indicated lower, although there was a widening bid-offer stand-off between importers and European suppliers.

The Algerian construction sector was getting busier following the unblocking of some government funds, with total October bitumen consumption projects at up to 70,000t, with similar volumes also expected in November.

Delivered values into Algeria were indicated at premiums of around \$40/t to fob Mediterranean HSFO cargoes, and while importer bidding into Morocco was reported as low as +\$30/t delivered offers were in the low \$40s/t.

The 5,765 dwt *Iver Agile* moved a cargo from Augusta, Sicily, to Sfax, Tunisia, for 30 October arrival, while the 6,165 dwt *An Hai Wan* shipped a cargo from Huelva, Spain, to Ghazaouet, Algeria, arriving 25 October. The 7,869 dwt *White Horse* moved a cargo from Augusta to Oran, Algeria, arriving 26 October.

### Egypt/Libya

EGPC awarded its November import tender at sharply lower premiums to Mediterranean fuel oil prices than under its October tender (see news).

Egyptian firm Triumph was awarded the three 5,000-6,000t cargoes of pen 60/70 bitumen at a \$34/t premium against fob Mediterranean high-sulphur fuel oil cargoes, on a delivered Alexandria basis, with the cargoes for 11-13, 15-17, and 19-21 November delivery. Mediterranean market participants expected those cargoes to be delivered into Egypt by Puma Energy.

Two additional cargoes – for 23-25 and 28-30 November delivery – were awarded to another Egyptian firm, Imex, the 23-25 November cargo at a \$33/t delivered premium and the 28-30 November cargo at \$29/t delivered. BB Energy unit 3B Trading was not expected - as it has under previous tender cargoes awarded to Imex - to deliver the November cargoes awarded to the Egyptian firm, with another Mediterranean trader set to deliver the 28-30 November cargo into Alexandria.

The 7,673 dwt *Iver Ambassador* shipped a cargo from Mersin, Turkey, to Alexandria, arriving 24 October, while the 6,065 dwt *Fuji Lava* reached Alexandria on 21 October, with both tankers awaiting opportunities to berth. The 37,000 dwt *The Judge* has been discharging a large cargo into Alexandria since it arrived there on 11 October.

It was so far unclear if any bitumen storage tanks were affected by clashes that caused extensive storage damage at state-controlled NOC's 120,000 b/d Zawia refinery in Libya.

A local official said the final damage report had yet to be issued, confirming NOC's separate bitumen refinery has been running since it was understood to have restarted in early September.

### Spain/Portugal

Spanish fob cargo premiums were assessed unchanged at around \$15/t to fob Mediterranean HSFO cargoes amidst a continued lack of export business to the US, although western Mediterranean demand - especially into Morocco and Algeria - remained significant.

While domestic bitumen consumption and road paving activity levels were healthy for the time of year in both Spain and Portugal, some suppliers anticipated a winter drop-off in construction activity and its negative impact on demand, although that will depend on the rainfall rates during November.

Offers to the US east coast were unsuccessful, with cif USEC values indicated as low as \$430-435/t, much lower than fob Spain prices around \$460-465/t, even before taking account of transatlantic freight.

Domestic truck prices were assessed unchanged at €480-490/t with prices expected to rise at the start of November, to take into account gains in fuel oil and crude values through October.

The 6,586 dwt *Iver Bitumen* moved a Huelva cargo to Viano do Castelo, Portugal, arriving 27 October, while the 6,187 dwt *Iver Best* shipped a cargo from Tarragona to Agadir, Morocco, arriving 26 October.

### Italy

Domestic truck prices were assessed €10/t up at €460-470/t ex-works, including the €31/t domestic duty for road paving penetration grades, while fob cargo premiums to fob Mediterranean HSFO cargoes stayed around \$10/t.

Some domestic ex-works prices were being indicated at values as high as €490/t ex-works in northern Italy. Italian truck exports, which are made exclusive of the local duty, were indicated around €430-440/t ex-works, with good demand seen in Switzerland and southern Germany as well as some volumes heading to southern France where local refinery supply remained tight.

The 6,180 dwt *Iver Balance* shipped a cargo from Taranto to Oristano, Sardinia, for 25 October discharge, while the 5,897 dwt *Iver Action* loaded a cargo from Augusta for 26 October arrival at Lavera on the French Mediterranean coast.

## MEDITERRANEAN MARKET COMMENTARY

### Greece

Greek refiner Hellenic Petroleum issued a tender to export a single 4,000t for loading in mid-November but no award was yet reported after just one bid into the tender was received, according to market participants.

Hellenic also issued a vessel tender for two consecutive voyage charters from its Aspropyrgos to its Elefsis refinery, with an optional for an additional journey on the same route. No details emerged regarding an award, while market participants pointed to a vessel operating in the Black Sea and eastern Mediterranean as a likely candidate.

Greek export cargo premiums to fob Mediterranean HSFO cargoes were assessed unchanged at around \$10/t fob, while a wide bid-offer stand-off remained in place between suppliers and cargo buyers.

Exporters were reluctant to supply fob cargoes at lower premium values but buyers pointed to lower delivered values in the region, especially under EGPC's November import tender, as well as still high freight costs as factors keeping a lid on fob values.

Domestic Greek truck prices fell by around €5/t by 28 October, with ex-works offers of pen 50/70 and 70/100 bitumen from Hellenic Petroleum's Aspropyrgos refinery reaching €441/t, while pen 50/70 sales from its Thessaloniki refinery were indicated at €445/t. Truck sales from Motor Oil Hellas' Agio Theodori refinery were at €445/t ex-works.

The 9,230 dwt *Asphalt Seminole* loaded a cargo from Agio Theodori for discharge into Nikolaev, Ukraine, and is expected to arrive at waters near the port by 26 October.

The 45,974 dwt *Bitu Express* was expected to arrive at Agio Theodori by 28 October to load a cargo with no end-destination as yet indicated.

### Turkey

Turkish refiner Tupras was yet to award its first half 2022 tender, with market participants indicating the refiner was undertaking a further round of discussions with bidding parties.

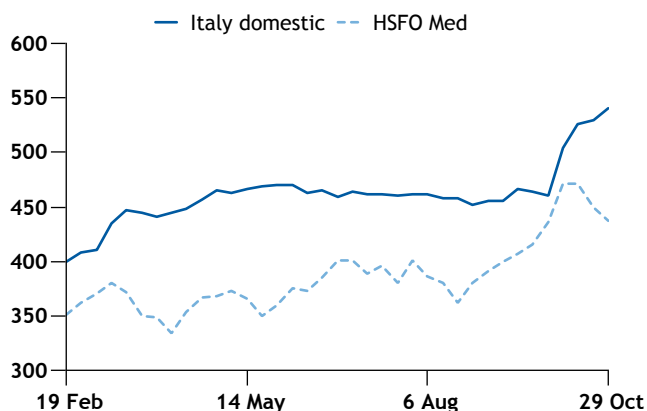
The tender offered one or more 5,000-15,000t cargoes from Tupras' Izmit refinery, as well as one 30,000t bitumen cargo and one 30,000t vacuum residue cargo from its Izmir refinery, with those volumes able to be supplied on a monthly basis by the refiner.

High volatility in the Turkish Lira as well as slowing demand in the country, alongside volatility in fuel oil values, made local market participants reluctant to import cargoes into the country. One supplier which had already delivered two cargoes from the Mideast Gulf into the Toros Gubre terminal at Ceyhan, Turkey, was now expecting to hold back from a third movement for about three months after sharp recent gains in Mideast fob export prices and due to the approach of the winter low demand season in Turkey.

Posted prices from Tupras refineries retreated, having seen nearly TL800/t increases since the start of the month, with ex-works values down TL110-111/t at TL5,096/t from Tupras' Izmit and Izmir refineries, and ex-works prices from the Kirikkale and Batman refineries at TL5,143/t, with effect from 29 October.

The 30,100 dwt *The Blacksmith* loaded a cargo from Izmir for discharge into the 66,000t storage terminal at Cadiz, Spain, with an estimated arrival date of 29 October.

Italy domestic and Mediterranean HSFO fob cargoes \$/t





## SUB-SAHARAN AFRICA MARKET COMMENTARY

### Summary

Price trends were mostly upwards, with South African refinery suppliers preparing for sharp monthly price hikes for November supplies in the wake of substantial crude and fuel oil price gains during October.

Iranian drummed and bulk export prices were sharply up, adding to huge recent gains, although a slippage in crude futures and Mediterranean high-sulphur fuel oil prices during the week ending 29 October led to an outright price retreat for west African bitumen cargo imports.

### West Africa

A shift to drier weather conditions at the end of the regional rainy season led to resumed construction work on several projects, especially in Nigeria, and to expectations of increased import requirements into west African terminals.

Cargo prices fell amidst continued volatility affecting crude futures and fuel oil price trends, while Spanish and Ivory Coast cargo premiums to fob Mediterranean high-sulphur fuel oil were assessed unchanged at around \$15/t and at \$105-110/t fob respectively.

The latest international piracy report issued by the ICC International Maritime Bureau showed there had been a sharp drop to just four incidents in the number of actual or attempted acts of piracy on ships in Nigerian waters during the first nine months of this year. That compared with 17 such acts in the same period last year, 29 in January-to-September 2019 and a peak of 41 in the same period of 2018. There were however five such actions in Ghanaian waters in the first nine months of this year - the same as in 2020 - and three in waters off Guinea - the highest number for several years.

Most ship owners have been highly reluctant to charter their ships for cargo movements into west African, especially Gulf of Guinea ports, since last year, citing piracy and general security concerns. That has left regional cargo requirements being almost exclusively met this year by tankers owned or operated by firms with their own west African import terminals. But there were indications that less risky conditions could tempt some independent ship owners to allow their vessels to be chartered for West Africa-bound movements, especially from the Mediterranean, during the winter low season in that region.

Freight rates for standard 5,000t movements from Tarragona, Spain, to Port Harcourt, Warri and Lagos were notionally indicated by one shipping firm at values at or above \$170/t. No specific inquiries, let alone bookings, were yet in

Sub-Saharan Africa bitumen prices, 23-29 Oct

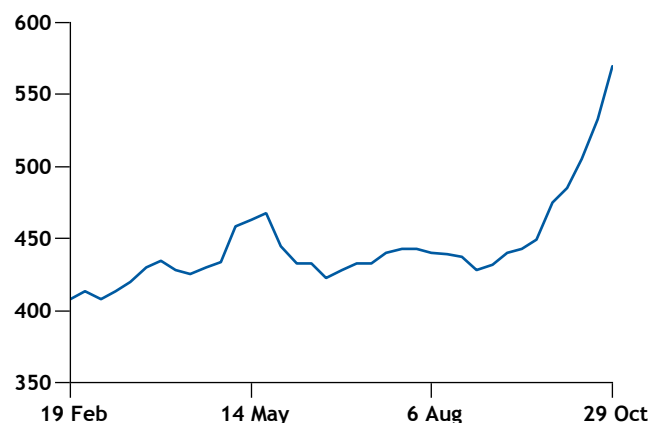
	Local currency/t			\$/t		
	Low	High	±	Low	High	±
<b>Domestic prices, ex-works</b>						
South Africa	9,200	9,600	nc	618	645	-13.50
<b>Import/export prices</b>						
\$/t						
Ivory Coast, fob Abidjan (export, cargo)				550.70	555.70	-14.45
Nigeria, cfr Lagos (import cargo)				604	614	-9.00
Ghana, cfr Takoradi-Tema (import, cargo)				579	589	-10.00
Kenya, cfr Mombasa (import, drums)				560	570	+37.00
Tanzania, cfr Dar es Salaam (import, drums)				565	575	+37.00
<b>Freight rates</b>						
\$/t						
Abidjan-Lagos-Warri-Port Harcourt (cargo)				41	45	nc
Abidjan-Takoradi-Tema (cargo)				27	30	nc
Tarragona-Lagos-Warri-Port Harcourt (cargo)				150	160	nc
Bandar Abbas-Jebel Ali-Mombasa (drums)				95	100	nc
Bandar Abbas-Jebel Ali-Dar es Salaam (drums)				100	105	nc
Bandar Abbas-Jebel Ali-Djibouti (drums)				175	185	-10.00

Mideast Gulf to Africa freight rates

	\$/t		
	Low	High	±
Bandar Abbas/Jebel Ali-Mombasa (drums)	95	100	nc
Bandar Abbas/Jebel Ali-Dar es Salaam (drums)	100	105	nc
Bandar Abbas/Jebel Ali-Djibouti (drums)	175	185	-10.00

### Tanzania, cfr Dar es Salaam drums

\$/t



the offering however, with assessed rates on the route staying in the \$150-160/t range, with another current indication on the route at \$130-145/t.

### Nigeria

With rainfall levels declining and becoming far more sporadic at the end of the Nigerian rainy season, market participants said the gradual turn to dry season conditions had triggered

## SUB-SAHARAN AFRICA MARKET COMMENTARY

the resumption of construction projects across the country.

That is set to generate more demand for import cargoes and while most of those requirements are likely to continue to be met by trading and supply firms with their own shipping and terminal facilities in the region, including in Nigeria itself, some shipping firms expect interest to be generated before year-end for potential spot cargo bookings and movements by other firms using spot or time-chartered tankers that usually operate in the Mediterranean. Many such vessels are set to be released from their current time charter arrangements and become available to the spot market as the bitumen season in the region, and across Europe, wanes with the approach of winter.

In the meantime, the The 6,033 dwt *Jane Asphalt*, operated by Nigerian-based Gradient Energy, discharged a cargo into the firm's own Warri terminal in Nigeria's Delta State on 24-27 October, having loaded at the SMB refinery and export terminal complex at Abidjan, Ivory Coast.

The latest data released by Nigeria's Petroleum Products Pricing Regulatory Agency (PPPRA) showed the country's bitumen stocks fell to 27,689,708 litres (28,225t) on 27 October from 28,777,019 litres (29,333t) a week earlier and 30,449,605 litres (31,038t) in early October.

### Cameroon

The Cameroon government's national Road Fund amounting to an estimated 50bn Central African Francs (\$88mn) was officially launched for the country's Central Region on 18 October.

The move follows a warning issued by the African Development Bank (AfDB) in September that Cameroon could lose XAF 188bn (\$332mn) of AfDB funding related to the 365km Kumbo-Nkambe-Misaje Ring Road project in the country's Central Region. That was because procurement procedures

to allow the funding to go ahead had not been completed for more than a year. A fresh 15 November deadline was issued by the bank, threatening cancellation of funding, after Cameroon's Ministry of Public Works (MINTP) undertook in June to relaunch the tender process for the ring road project with a view to construction work to begin by the end of 2021.

### East Africa

Iranian drummed bitumen export prices were assessed \$37-38/t firmer at \$445-490/t fob Bandar Abbas, adding to huge gains over recent weeks that have partly been linked to a switch to refinery fuel oil production in Iran and sharp cuts in vacuum bottom supply to the country's bitumen refineries.

Freight rates were assessed unchanged in the last week of October at \$100-105/t for Bandar Abbas to Mombasa, Kenya, and Dar es Salaam, Tanzania, shipments of Iranian drummed bitumen, with direct shipments on those routes on board Iranian state-owned IRISL ships still indicated at \$1,900-1,950 per container (\$95-97.5/t). Indirect shipments, via Jebel Ali (UAE), to most east African destinations on ships run by international firms were still being indicated by suppliers at values in the \$5,500-5,200 per container (\$225-260/t) range, although some recent indications for such flows into Djibouti were at \$2,900-3,000 per container (\$145-150/t). Assessed rates from Bandar Abbas to Djibouti were \$10/t down at \$175-185/t.

### Kenya

Sharply rising delivered prices for Iranian drummed flows, with CFR Mombasa values indicated to one Kenyan importer at \$540-545/t early in the week commencing 25 October, as well as tight supply, led some of the market's usual suppliers to switch to trading other products for the time being.

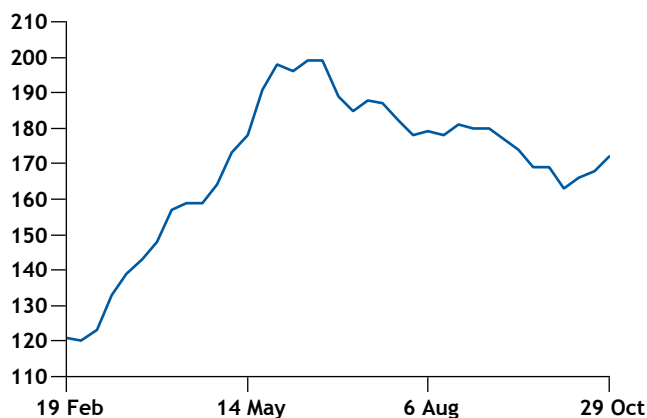
One such player said domestic drummed truck prices in Kenya as high as Kenyan Shillings 85/kg (\$765/t) ex-works Mombasa would be required currently to catch up with the huge gains in import prices during October. Actual drummed truck indications in Kenya were being reported at KES78/kg (\$702/t) in the last week of October.

### Sudan/South Sudan

World Bank Group President David Malpass issued a statement on 27 October announcing that the international lending body had "paused disbursements in all of its operations in Sudan on Monday (26 October)", days after a Sudanese military coup

Malpass expressed "great concern over recent events in

West Africa cargo cfr- Med HSFO fob cargoes



## SUB-SAHARAN AFRICA MARKET COMMENTARY

Sudan" and expressing his fears over "the dramatic impact this can have on the country's social and economic recovery and development".

Bitumen suppliers into east African markets said they had anyway been steering clear of an uncertain Sudan market, while focusing their efforts on meeting sizeable bitumen requirements into neighbouring South Sudan, mainly via Mombasa, Kenya.

### Southern Africa

Regional buyers were facing the prospect of sharp November price hikes as South African refinery supplies prepared to revise their monthly prices, affecting both domestic and export markets.

Drummed requirements were still being indicated into Malawi and Zimbabwe, while markets like Zambia and the Indian Ocean islands were displaying normal activity and demand levels and Botswana was in the midst of a temporary dip in requirements after a busy year.

### South Africa

Sharp domestic truck price gains were anticipated for November supplies after hefty crude and fuel oil gains during October.

The 180,000 b/d BP-Shell Sapref refinery in Durban was set to halt bitumen production from 31 October until 6 November (see news), with local market participants blaming the halt on the late arrival of a crude oil cargo.

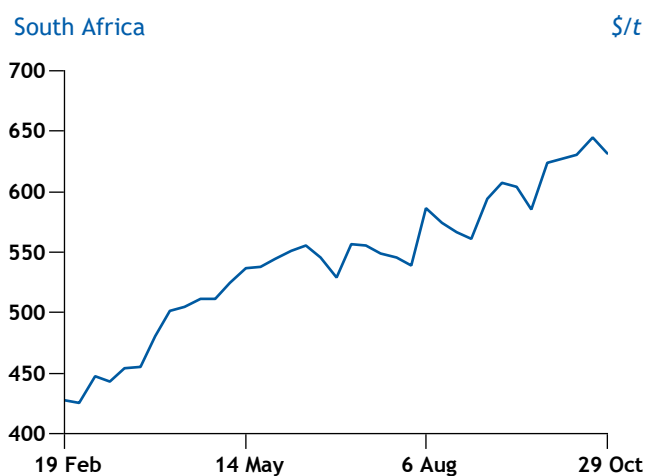
While BP truck loadings were expected to resume from 7 November, Shell informed its customers that it could take until 10 November for its supplies to resume. With domestic rates of construction activity remaining below those expected in the approach to the peak of the current bitumen-consuming season, the halt is unlikely to result in any near-term product shortages.

While project funds have been made available by South African National Roads Agency (Sanral), heavy rainfall in many parts of the country during October, as well as slow delivery of some project work, were blamed by market participants for lower-than-anticipated bitumen off-take. Others also pointed to credit issues affecting some construction companies as dampening requirements.

The impending Sapref halt did however trigger in late October a spate of bitumen buying to replenish trader and end-user stocks.

Despite the reasonably comfortable supply position, another import cargo was expected to arrive in South Africa by the turn of the year.

The 9,776 dwt Rubis-owned *Viveka* was expected to deliver the cargo into Cape Town, with loading most likely at the firm's Lome terminal hub in Togo. The precise dates of loading and arrival of the shipment in South Africa were so far undisclosed.



## ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

### Singapore

In Singapore, prices firmed another \$5/t this week supported by the tighter supply for November. SRC had to reduce production at its 100,000t/month bitumen unit from the last weekend due to technical issues. This is expected to impact volumes estimated at about 20,000t for November.

Following this, there were limited offers seen for Singapore origin cargoes this week. One cargo for a 5,000t end-November loading cargo was sold to east Sulawesi at \$455/t fob Singapore this week. Another 3,000t buy tender was awarded late on Friday for second-half November loading at \$460/t levels, with the cargo sold in the \$485-490/t cfr Malaysia range. Freight rates were estimated at about \$27/t from Singapore to Prai.

Mid-week discussions were limited with scant selling indications hovering at \$460/t and higher for end November or early December loading cargoes. But trading for December is expected to commence in the coming week or two. Buying ideas for November loading cargoes from Indonesia-based buyers edged up to around \$450-465/t fob Singapore basis this week.

Prices of tank trucks from Singapore firmed up to around \$470-485/t ex-refinery on the back of a supply shortage. A refiner in Singapore was heard to have stopped offering truck volumes while another refiner was heard to have capped sales to around two to three trucks per customer. Some truck buyers from Malaysia have noted that the availability of competitive offers from domestic sources has resulted in lower buying interest for trucks from Singapore.

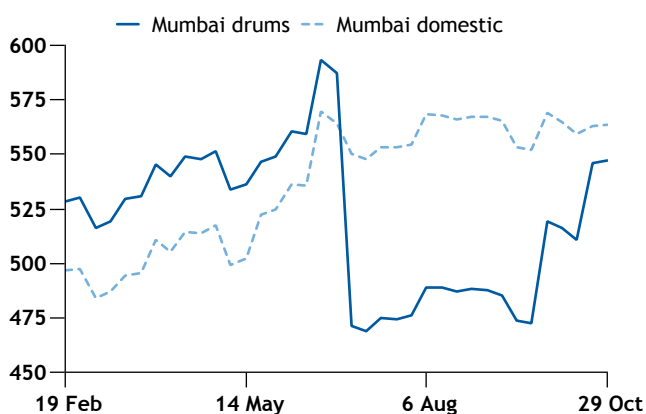
### Malaysia

Bitumen demand in Malaysia continued to firm up in line with the country's annual peak demand season.

Domestic tank truck prices continued to trend upwards

India domestic v drum

\$/t



Asia bitumen prices, 23-29 Oct						
	Local currency/t			\$/t		
	Low	High	±	Low	High	±
<b>Domestic prices, ex-works</b>						
South Korea	598,177	621,589	-4,512.50	511	531	nc
Mumbai, India	40,500	43,970	nc	540	587	+0.50
Mumbai, India (drums)	40,070	41,870	nc	535	559	+1.00
Thailand	17,274	19,268	-98.00	520	580	nc
Indonesia	6,340,000	6,340,000	nc	447	447	-2.00
Singapore	566	599	+0.50	420	445	nc
Singapore-Malaysia ex-ref	633	653	+10.50	470	485	+7.50
Japan	63,513	71,619	nc	559	630	+2.00
<b>Waterborne, fob</b>						
Iran				400	435	+40.00
Iran (drums)				445	490	+37.50
Bahrain	175	175	nc	465	465	nc
Singapore	613	620	+7.50	455	460	+5.00
Singapore (drums)	761	768	+7.50	565	570	+5.00
Thailand	14,783	14,949	+3.00	445	450	+2.50
South Korea	485,799	497,505	-3,638.00	415	425	nc
Taiwan	12,389	12,667	+104.50	445	455	+5.00
<b>Waterborne, cfr</b>						
North China coast	2,811	2,907	-17.50	440	455	-1.50
East China coast	2,843	3,322	+7.00	445	520	+2.50
South China coast	3,194	3,258	+22.50	500	510	+5.00
Northern Vietnam (drums)				523	596	+21.50
Southern Vietnam (drums)				518	586	+21.50
Economics				Mid		±
Bitumen's value as fuel oil blendstock, Singapore				429,057		-14.96

Asian Bitumen Price Index		
	Index	±
ABX 1 fob Singapore	457.50	+5.00
ABX 2 fob South Korea	420.00	nc

Monthly Average (contract)		
Contract	Oct 21	Sep 21
ABX 1	440.00	390
ABX 2	417.50	383.13

Fob Mideast Gulf Price			
	Low	High	±
Mideast Gulf fob (\$/t)	418	465	+20.00

Crude and refined products, 23-29 Oct			
	Low	High	±
Dubai fob Dubai \$/bl	81.99	83.99	-0.09
Basrah Light fob Basrah \$/bl	82.26	84.30	-0.08
Banoco Arab Medium \$/bl	81.64	83.97	-0.35
Fuel oil HS 180cst fob Singapore \$/t	459.75	484.75	-13.63
Fuel oil HS 380cst fob Singapore \$/t	449.25	476.50	-15.75
Gasoil 0.5% fob Singapore \$/bl	92.85	95.25	-1.25

## ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Prices at China main refineries, 23-29 Oct										
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	3,900	nc	4,300	nc	611	673	
			AH-100, AH-140, AH-180	3,750	nc	4,050	nc	587	634	
		Sinopec Tahe	90-A	3,075	nc	3,255	nc	481	510	
			90-B	2,925	nc	3,205	nc	458	502	
Northeast	Liaoning	Petrochina Liaohe	AH-70, AH-90, AH-110, AH-100, AH-140	1,475	nc	1,875	nc	231	294	
		Panjin Northern	AH-90, AH-110, AH-100, AH-140	2,500	nc	3,150	nc	391	493	
North	Hebei	Petrochina Qinhuangdao	AH-70, AH-90	3,450	nc	3,950	nc	540	618	
Central	Henan	Sinopec Luoyang	AH-90	3,085	nc	3,145	nc	483	492	
East	Shandong	CNOOC asphalt	AH-70, AH-90	2,830	nc	3,150	nc	443	493	
			70 -A	3,795	nc	4,025	nc	594	630	
			90 -A, 70-B	3,795	nc	4,025	nc	594	630	
	Zhejiang	Sinopec Zhenhai	70-A, 90-A	3,595	nc	3,665	nc	563	622	
			70-B, 90-B	3,595	nc	3,665	nc	563	622	
		Petrochina Wenzhou	AH-70, AH-90	3,290	nc	3,680	nc	515	576	
			Shanghai	Sinopec Shanghai	AH-70	3,945	nc	4,085	nc	618
	Jiangsu	CNOOC Taizhou	AH-70, AH-90	3,150	nc	3,300	nc	493	517	
			Sinopec Jinling	70-A, 90-A	3,715	nc	3,795	nc	582	594
			Petrochina Xingneng	70-A, 90-A	3,670	nc	4,040	nc	575	632
South	Guangdong	Jangyin Alpha	70-A, 90-A	3,630	nc	3,950	nc	568	618	
		Sinopec Maoming	70-A, 90-A	3,375	nc	3,445	nc	528	539	
		Sinopec Guangzhou	70-A, 90A	3,515	nc	3,575	nc	550	560	
West	Sichuan	Petrochina Gaofu	AH-70, AH-90	4,240	nc	4,810	nc	664	753	
		CNOOC Luzhou	AH-70, AH-90	3,750	+160	3,750	+160	587	587	

Bitumen freight, 23-29 Oct				\$/t
Singapore-east Australia	135	145	nc	
Singapore-west Australia	80	90	nc	
Singapore-Gresik, Indonesia	34	40	+1.00	
Singapore-north Vietnam	45	55	nc	
Singapore-south Vietnam	35	40	nc	
Singapore-south China	45	50	nc	
Singapore-east China	50	60	nc	
Thailand-south China	45	50	nc	
Thailand-east China	50	55	nc	
Thailand-east Australia	125	140	nc	
Thailand-west Australia	90	110	nc	
Taiwan-Ho Chi Minh, Vietnam	40	45	nc	
Taiwan-Haiphong, Vietnam	35	40	nc	
South Korea-east China	30	35	-1.50	
South China-Haiphong, Vietnam	30	35	nc	

on the back of tightened domestic supply as well as minimal volumes being offered from Singapore.

The state-owned refiner increased its tank truck prices

to around 2,080-2,160 ringgit/t ex-Malacca (\$502-521/t). Prices from Port Klang firmed to around 2,100-2,230/t ex-Klang (\$507-538/t). Delivered prices in the north have also edged up to around 2,200-2,240 ringgit/t (\$531-541/t) in response to another price increase from the state-owned refiner's Prai-based facility.

The state-owned refiner issued a buy tender for a 3,000-5,000t cargo bound for its Prai-based facility for 2H November loading. A deal for a 3,000t cargo towards Prai for 2H November lifting was concluded this week.

Most players are expecting firm demand from projects that are slated for completion by the end of November, while some players are watchful about the possibility of project operations extending into 1H December due to pandemic-related suspensions earlier in the year.

### Thailand

Export prices for waterborne cargoes from Thailand edged up to around \$445-450/t fob basis this week. A deal for a 2,000-3,000t mid-November loading lot was concluded at

## ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

around \$445-450/t fob into Vietnam.

Domestic demand continued to be largely repressed due to the impact of heavy monsoons over the country. Domestic prices were steady at around \$520-580/t. Some buyers were seen to be purchasing more bitumen in spite of weak construction demand in anticipation of further price hikes in November.

Players in Thailand are expecting domestic demand to only pick up towards the second half of November due to the prolonged rainy season.

### Indonesia

Demand in Indonesia continued to firm compared with preceding months as construction projects around the country operated at full swing towards the end of the year.

A deal for a 4,500t Singapore origin cargo towards West Java with a mid-November loading was done at around \$485/t cfr West Java.

Changes in listed bitumen prices from the state-owned refiner's Cilacap and Gresik-based terminals are expected in the coming days.

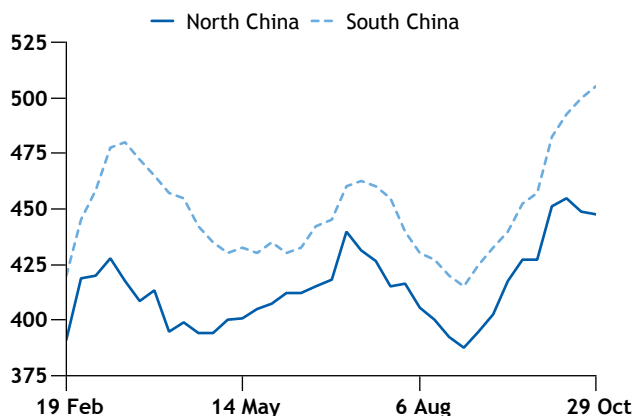
### Vietnam

Fewer discussions were seen this week with most importers having concluded buying for November. Domestic demand was also slow-to-steady on the back of wet weather seen this week.

A 5,000t cargo from South Korea was concluded at around \$490/t cfr central Vietnam for a two-port discharge, to be loaded around end-November. Other offers for mid-second half November loading cargoes were in the \$495-500/t cfr range.

Domestic demand in central Vietnam was sluggish on the

Delivered cargoes: North and South China \$/t



Australia import cargo prices, 23-29 Oct			\$/t
	Low	High	±
Thailand fob (Class 170)	468	478	+5.00
Thailand fob (Class 320)	473	483	+5.00
Singapore fob (Class 170)	471	481	+6.50
Singapore fob (Class 320)	473	483	+3.50

Mideast Gulf to India freight rates			\$/t
	Low	High	±
Bandar Abbas/ Nhava Sheva (drums)	28	31	nc
Bandar Abbas/ Mundra (drums)	27	31	nc
Bandar Abbas/ Haldia (drums)	65	66	nc
Bandar Abbas/ Mundra (bulk)	80	85	nc
Bandar Abbas/ Karwar (bulk)	85	90	nc
Bandar Abbas/ Kakinada (bulk)	115	125	nc
Bandar Abbas/ Haldia (bulk)	125	135	nc

back of ongoing rainy weather, with roadworks only expected to pick up in December. Local sellers reported improvement in lifting in both north and south Vietnam this week compared to last week, with some contractors for larger projects also trying to lock in volumes.

Domestic prices were around 11,000-12,000 dong/t ex-tank (\$485-529/t) levels this week.

### South Korea

In South Korea, prices were rolled over from last week's close in line with a deal and discussions seen this week.

An Onsan-based refiner awarded a sell tender for four 5,000t November loading cargoes at about \$420/t fob South Korea or minus \$50/t on HSFO 180cst prices around the middle of the week. There were limited discussions seen otherwise.

Production from refineries in South Korea remain somewhat curtailed but November loading volumes are expected to see an increase compared with October. Meanwhile, there was buying interest seen from countries like Vietnam and Japan. But some cargoes that are still expected to be sold into China are expected to continue facing the pressure of weak fundamentals in the local market.

### Taiwan

Prices on a fob basis were assessed at \$445-455/t this week in line with tightened regional supply levels.

Discussions for small-sized cargoes from Taiwan were seen this week, with regional buyers mulling over prices and



## ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Iranian export sales through the IME, 23-28 Oct					
Grade	Seller	Price Rials/kg	Packing	Volume t	Destination
Pen 60/70	Jey Oil	103,300-123,909	Bulk & Drum	16,000	Export by truck ex-Esfahan
Pen 60/70	Jey Oil	107,000-110,700	Bulk	10,000	Export by ship ex-Bandar Abbas
Pen 60/70	RK Refining	86,637	Bulk	1,050	Export by truck ex-Tabriz
Pen 60/70	Pasargad Oil	128,809	Drum	1,000	Export by ship ex-Bandar Abbas
Pen 60/70	Pasargad Oil	103,463-105,470	Bulk	5,000	Export by truck ex-Arak & Tehran
pen 60/70	Hamoon Gostar Bakhtar	82,700	Bulk	1,000	DAT Pakistan
Ac40,Ac30,Ac10	Spadana Bitumen Pasargad	99,000	Bulk	3,200	Export by ship ex-Bandar Abbas
Pen 60/70	Parmis Delijan	82,663	Drum	450	Export by truck ex-Delijan
Pen 60/70	Petro Pasargad Hormozgan	92,370	Bulk	200	Export by ship fob Bandar Abbas
Pen 60/70	Petro Lazak	86,637	Bulk	1,500	Export by truck ex-Esfahan
Pen 60/70	Reyounez Artan	86,637	Bulk	4,500	Export by ship fob Bandar Abbas
Pen 60/70	Behin Taghtir Aras	82,663	Bulk	250	Export by truck ex-Aras
Pen 60/70	Asia Palayesh Aras	82,663	Bulk	400	Export by truck ex-Aras

ullage levels. Selling indications were seen at \$450/t fob and above levels for November cargoes, with most volumes already committed.

## China

Domestic prices from state-owned refiners in China were mostly unchanged this week, with one refiner adjusting selling prices at its southwest branch upward by 160 yuan/t on 23 October. The upward revision was due to limited supply and an influx of orders from end customers. Listed prices from state-owned refineries in east China were at 3,450-3,540 yuan/t ex-refinery and 3,400-3,540 yuan/t ex-refinery in south China. Discounts of between 100-250 yuan/t were also offered for larger volumes of around 2,000-5,000t.

Prices from teapot refineries in the Shandong region were raised to around 3,050-3,150 yuan/t ex-refinery with inventory levels being drawn down after last week's price drop. One large teapot refiner was also undergoing maintenance at one of its bitumen units, thus curbing supply availability, though no confirmation was given from the refinery.

Floor prices in east China were around 3,200-3,250 yuan/t ex-warehouse, with sellers trying to maintain sales. In south China, volumes from teapot refiners were offered as low as 3,000 yuan/t ex-refinery amid stiff price competition and slow lifting from end customers.

Domestic demand in November is expected to remain steady-to-soft, with some sellers citing uncertainty over when payments to contractors for road projects. Work in the north has mostly stopped for the year amid lower temperatures, with construction in east China expected to slow down sometime around end-November. Roadworks in the south will remain ongoing through most of December.

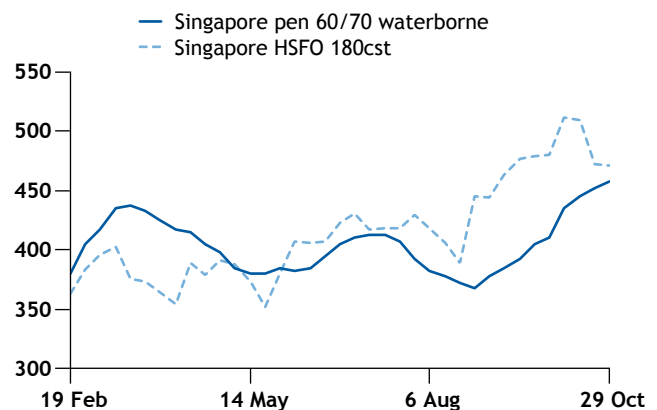
Import discussions remain limited this week as well, with importers on the sidelines. One east-China based buyer received an offer at slightly above \$460/t cfr east China for a November-loading cargo from South Korea but cited the price as unworkable. No counter bid was seen as well with the importer having no firm requirement.

The key December-delivery contract on the Shanghai Futures Exchange (SHFE) closed at 3,198 yuan/t on 29 October, rebounding by 162 yuan/t against the previous week. The slight recovery was seen as more in line with market values, particularly for volumes from Shandong. However, the lower values against current domestic prices remain indicative of the short-term bearish outlook with overall supply levels still outweighing demand.

## Australia & New Zealand

Demand in Australia was steady, though some sellers reported slower-than-expected lifting in October partly due to

[Singapore pen 60/70 and HSFO cargoes](#) \$/t



## ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

heavy rains. Demand is expected to firm more in November ahead of the year-end break in mid-December.

In New Zealand, some sellers reported a delay in demand owing to the ongoing lockdown measures particularly in Auckland, with expected consumption for October delayed by about a month. Importers were also mulling over negotiations for soft-grade volumes for arrival in the first quarter of next year, which would likely be procured from outside Asia Pacific due to availability of supply.

### India

The Indian subcontinent continued to see rising demand ahead of the peak paving season in this quarter. Demand for imports have surged through October and remained firm this week as well.

Buyers rushed to purchase bulk and drum cargoes from Iran in line with the surge in prices seen in the past few weeks. Inventory levels across key ports in India continue to mostly be balanced compared with the increasing demand. There were talks of restrictions being lifted on Iran origin cargoes discharging at some ports. No further confirmation was available.

Local refineries are expected to raise prices from 1 November, with local traders estimating the increase to be less than the recent rally seen in fob Bandar Abbas prices.

### Bahrain

Fob prices from Bahrain were unchanged at \$465/t since the implementation of two price hikes earlier in October.

The state-owned refiner will continue to evaluate its listed bitumen prices based on price trends in crude values, higher sulphur fuel oil (HSFO), as well as demand from neighbouring markets.

### Iran

Iran bitumen prices rose further supported by firm market fundamentals and hikes in VB feed prices. Exchange rate fluctuated and US dollar settled at 235,000-264,000 rials on local platforms.

Demand was strong for bulk cargoes to India and several cargoes were sold in the \$400-435/t fob range, up by \$35-45/t this week. A total 25,000t sold at \$397-410/t fob Bandar Abbas for early November loading to India and the UAE. A vessel size cargo was sold at \$405/t fob Bandar Abbas to India for prompt delivery. About 5,000t traded at \$410/t and 3,000t of VG40 were sold at \$425/t this week.

A 7,000t bulk cargo was sold at \$401/t fob Bandar Imam Khomeini for prompt delivery to India. Trading to neighbour-

#### Iranian Vacuum Bottom prices from NIOC\*, 23-28 Oct

Refinery	Volume t	Rials/kg		\$/t	
		Low	High	Low	High
Bandar Abbas	20,000	107,999	108,789	407	410
Esfahan	10,000	98,001	99,899	369	376
Shiraz	10,000	100,779	104,203	379	392
Tehran	15,000	97,999	98,889	369	372
Tabriz	8,000	97,899	101,999	369	384
Abadan	10,000	93,179	97,999	351	369
Arak	25,000	91,222	95,009	343	358

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

#### Iranian domestic sales through the IME, 23-28 Oct

Grade	Volume t	Price rials/kg
60/70	2,531	96,066-108,200
85/100	0	
Emulsion	0	
40/50	0	
PG6416-PG5816-PG5822	1,200	101,000
MC250	0	

ing countries have stopped and producers focused on selling to India at higher price levels. New offers to Pakistan were at 115,000 rials/kg (about \$380/t) ex-Esfahan, up by 15,000 rials/kg week-on-week. No demand emerged from Afghanistan.

Demand was mixed for drums while several market participants resisted the price hikes. Buying indications from Africa and southeast Asia were steady at \$420-440/t for November delivery. But buyers from India, Bangladesh and Sri Lanka secured cargoes at \$465-496/t over this week. Thus, drum prices were assessed in a wide range at \$445-490/t fob this week to different destinations.

A new GRI was imposed by \$150-250/container (\$7.5-12.5/t) to Jebel Ali and Mundra/Nhava Sheva to be effective from 8 November.

A total 27,000t of drums cargoes including 19,000t of Jey-embossed cargoes and Pasargad-embossed cargoes were sold at \$495-496/t and 8,000t of drum cargoes were sold at \$489/t for November delivery. A 2,000t drums cargo was sold at \$480/t fob to India. A 2,000t cargo was sold at \$475/t on 90pc cash in advance to India. A 4,000t drum cargo was sold at \$445-465/t to India and Sri Lanka.

Demand for jumbo bags was lackluster into China and southeast Asia as buyers remained at the sidelines amid price hikes to \$460-480/t this week. Most Iraqi suppliers expect Iraqi bitumen supply will increase soon as VR supply has increased. A total 3,000t was sold at \$420-425/t fob this week to India.

On IME, prices firmed amid competition between buyers. Jey Oil sold 10,000t of pen 60/70 at 107,000-110,700 rials/

## ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

kg (\$405-420/t) ex-Bandar Abbas, another 10,000t traded at 103,300-105,900rials/kg (\$391-410/t) ex-Esfahan, 6,000t of pen 60/70 in drums sold at 121,980-123,909 riials/kg (\$462-470/t) ex-Esfahan.

Pasargad Oil sold 1,000t of drums on 128,809 riials/kg ex-Bandar Abbas, balance at \$500/t and 3,000t of bulk cargoes at 105,470 riials/kg ex-Arak and 2,000t bulk on 103,460 riials/kg ex-Tehran.

### Iran local market

VB feed prices rose by 24pc amid healthy buying sentiment from the bitumen market and tightened VB feed supply, despite a fuel oil price drop in the last week of October.

VB feed prices increased by 4.8pc during the 23 October revision by the Oil Refining Industry Association (ORICA) to 84,718 riials/kg ex-Bandar Abbas and Shiraz, up by 3,887rials/kg. Prices for other refineries were announced at 80,683 riials/kg, up by 3,701 riials/kg.

About 225,000t demand registered for VB while only 98,000t were supplied by refineries in IME this week. Bandar Abbas refinery sold 20,000t VB at 108,431riials/kg, up by 12,487riials/kg (\$48/t). It was around \$90/t higher than original offers while Bandar Abbas refinery was on a scheduled maintenance that is expected to continue up to mid-November.

Tehran Refinery remains under maintenance and sold 15,000t at 98,296 rial/kg, up from 80,683 riials/kg. Esfahan

Refinery sold 10,000t at 98,488 riials/kg, up around 8,500 riials/kg. Tabriz Refinery sold 8,000t at 99,978 riials/kg, up by 15,812 riials/kg (\$60/t). Abadan Refinery sold 8,000t at 95,660 riials/kg, up by 8,400 riials/kg. Arak Refinery sold 25,000t at 93,348 riials/kg, up about 3,300 riials/kg.

Shiraz Refinery sold 10,000t VB feed at average 102,491riials/kg, up about 9,000riials/kg week on week.

Domestic prices were on the rise again following hikes in VB feed prices. But trading has been thin on the IME and local contractors were concerned and called IME to prevent such fierce competitions on VB feed. Producers sold 3,731t of different products at 96,066-108,200riials/kg on IME.

### Proposal to change fob South Korea bitumen assessment

Argus proposes to change the laycan timing of its waterborne fob South Korea bitumen assessment to 15-40 days forward from the date of publication from the current 21-30 days forward. Argus also proposes to change the cargo sizes to 4,000-7,000t from 3,000-5,000t for the fob South Korea assessment.

Argus will accept comments on these proposed changes up to 15 November. To discuss this proposal, please contact the Asia Bitumen editor, Mahua Chakravarty, at mahua.chakravarty@argusmedia.com or by phone on +65 6496 9935. Formal comments should be marked as such and may be submitted by email to mahua.chakravarty@argusmedia.com or by post to Mahua Chakravarty, Argus Media, 50 Raffles Place, #10-01 Singapore Land Tower, Singapore 048623, and received by 15 November. Please note that formal comments will be published after the consultation period unless confidentiality is specifically requested.

### Change to fob Singapore bitumen assessment

Following consultation, from 5 November Argus will change the laycan timing of its waterborne fob Singapore bitumen assessment to 15-40 days forward from the date of publication and the cargo size to 3,000-7,000t.

For any queries or comments, please contact the Asia Bitumen editor, Mahua Chakravarty, at mahua.chakravarty@argusmedia.com or by phone on +65 6496 9935.

## VESSEL TRACKING INDICATIONS

Bitumen freight movements						
Vessel name	Owner	Tonnage	Loading port	Discharge port	Current position	ETA
Bit Force	Ciconia	7,207	Nynashamn	Naantali, Finland	Baltic Sea	23-Oct
Iver Balance	HB Tankship	6,180	Taranto	Oristano, Italy	Med	25-Oct
Stella Polaris	Tarbit Shipping	8,297	Lomonosov	Thames, UK	Northwest Europe	30-Oct
White Horse	Kumiai Senpaku	7,869	Augusta	Oran, Algeria	Med	26-Oct
Iver Ambassador	Petrolmar SPA	7,499	Mersin	Alexandria, Egypt	Med	24-Oct
The Blacksmith	Puma	30,100	Izmir	Cadiz, Spain	Med	1-Nov
Iver Best	Vroon Ship Management	6,187	Tarragona	Agadir, Morocco	Med	26-Oct
Asphalt Seminole	Trigent Petroleum	9,230	Agio Theodori	Nikolaev, Ukraine	Black Sea	30-Oct
Iver Action	HB Tankship	5,897	Augusta	Lavera, France	Med	26-Oct
Acacia Rubra	White Flag Ventures	6,065	Lomonosov	Newport, Wales	Northwest Europe	1-Nov
An Hai Wan	COSCO SAs	6,165	Huelva	Ghazaouet, Algeria	Med	25-Oct
Iver Agile	Petrolmar SPA	5,765	Augusta	Sfax, Tunisia	Med	30-Oct
San Bacco	ABC Maritime	4,995	Brunsbuettel	Sandefjord, Norway	Northwest Europe	25-Oct
Rong Hua Wan	COSCO Shipping Asphalt Hainan	7,634	Port Jerome	Dublin, Ireland	Northwest Europe	27-Oct
Iver Bitumen	WS Tankship	6,586	Huelva	Viana do Castelo/ Bayonne, France	Northwest Europe	27-Oct
Jane Asphalt	Arkville Corp	6,033	Abidjan	Warri, Nigeria	WAF	24-Oct
Bitflower	Tarbit Shipping	6,314	Rotterdam	Nantes, France	Northwest Europe	30-Oct
Rostella	Rostella Shipping PTE LTD	7,996	Singapore	Dongguan, China	Indonesia	31-Oct
Tasco Anan	Tipco Asphalt	3,525	Singapore	Gresik, Indonesia	Java Sea	29-Oct
JS Nantong	National Bitumen Corporation	4,999	Ulsan	Nanjing, China	South Korea	1-Nov
VP Asphalt 1	VP Petrochemical	3,102	Rayong	Go Dau, Vietnam	Vietnam	27-Oct
Sheng Hua Wan	Cosco	7,640	Singapore	Ningbo, China	China	1-Nov
Bitumen Hikari	AEROMIC SHIPPING PTE LTD	4,478	Singapore	Nha Be/ Can Tho, Vietnam	Vietnam	29-Oct
Jaya Ocean	Jaya Trade Pte Ltd	5,250	Singapore	Gresik, Indonesia	Indonesia	26-Oct

## NEWS

### France's Feyzin refinery restarts crude runs

TotalEnergies has restarted the crude distillation unit at its 105,000 b/d Feyzin refinery near Lyon around three weeks after a fire halted operations, according to workers at the plant.

The crude unit resumed operations from 23 October. It was stopped early this month after a fire broke out in a crude supply pump. Other units at the refinery that were halted following the blaze will restart in the coming days.

For the time being, Feyzin will run on crude from its storage tanks, which workers say are close to full. The refinery is fed by imports discharged at the Mediterranean port of Fos-Lavera, but no tankers for Feyzin are currently signalling arrival. Some crude cargoes slated for Feyzin diverted after the fire.

TotalEnergies has not responded to requests for information on the restart.

### EGPC awards five bitumen import cargoes

Egyptian state-owned refiner EGPC has awarded its latest monthly bitumen import tender at sharply lower premiums to Mediterranean fuel oil prices than under its October tender, with Puma Energy to supply some of the volumes.

Under its original tender for November imports, EGPC sought three 5,000-6,000t cargoes of pen 60/70 bitumen for delivery into its Alexandria terminal and has now chosen to award those volumes as well as two additional cargoes.

Egyptian firm Triumph was awarded the three originally sought cargoes at a \$34/t premium against fob Mediterranean high-sulphur fuel oil cargoes, on a delivered Alexandria basis, with the cargoes for 11-13, 15-17, and 19-21 November delivery. Mediterranean market participants expect those cargoes to be delivered into Egypt by international trading firm and Trafigura subsidiary Puma Energy.

The two additional cargoes – for 23-25 and 28-30 November delivery into Alexandria – were awarded to another Egyptian firm, Imex, the 23-25 November cargo at a \$33/t delivered premium and the 28-30 November cargo at \$29/t delivered. A Mediterranean trading firm will deliver the 28-30 November cargo, with the supplier into Alexandria of the 23-25 November cargo so far undisclosed.

Under its October tender, EGPC awarded four 5,000-6,000t cargoes to Puma Energy and 3B Trading at delivered Alexandria premiums to fob Mediterranean HSFO cargoes in the high \$50s/t, with those cargoes specified for 13-15, 17-19, 21-23 and 25-27 October delivery.

The sharp drop in premiums under the November tender partly reflects waning seasonal bitumen demand and price

backwardation for the road paving product in the run-up to the winter low season, while also counteracting recent hefty gains in outright prices caused by rising crude and fuel oil values.

Market participants were still surprised by the extent of the drop and the low level of the awarded premiums. On the Mediterranean spot market, Greek and Italian fob cargo premiums to fob Mediterranean HSFO prices are currently assessed by Argus at around \$10/t, while freight rates for typical 5,000t movements are assessed at \$41-44/t for Augusta-Alexandria and at \$35-37/t for Greek ports to Alexandria.

### Singapore's SRC cuts November bitumen exports

Singapore Refining (SRC) has reduced bitumen exports for November because of technical issues at its 285,000 b/d refinery.

The Singapore-based refinery has been experiencing technical issues, resulting in a fall in production at its 100,000 t/yr bitumen plant, a source close to the company said. The repairs are expected to take about two weeks from 23 October, with bitumen production losses estimated at about 20,000t during November. There was no confirmation if production has completely shut down for this period.

SRC has cut exports for its tank truck buyers in Malaysia for the next few weeks. There were expectations of reduced term supplies for November as well, although further details were unavailable.

SRC also had plans for maintenance during November at the bitumen plant, which are expected to be adjusted because of the current production issues.

### Argus successfully completes annual losco assurance review

Argus has completed the ninth 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

SRC, a joint venture between Chinese state-controlled PetroChina's subsidiary Singapore Petroleum and Chevron Singapore, is a key supplier of bitumen to Asia-Pacific along with Shell and ExxonMobil that also have Singapore-based refining capacity.

### Sapref's Durban refinery to halt bitumen output

The late arrival of a crude cargo has led BP and Shell to inform their customers of an impending halt to bitumen production and supply at their 180,000 b/d joint venture Sapref refinery in Durban, South Africa.

Shell said in a letter to customers that the shutdown will take place from 31 October until 5 November and that it expects bitumen supply to resume on 10 November. BP said it will not supply any bitumen to its customers from 31 October until 6 November.

Market participants said the late crude cargo is not affecting supply of any other oil products.

### Malaysia's truck bitumen prices up by 10pc

Truck prices across Peninsula Malaysia have firmed by around 10-15pc in October on the back of improved demand alongside tightened supply.

From 1 October, offers from state-owned Petronas' Malacca-based refinery surged by 10.78pc, or 200 ringgit/t (\$48/t), supported by improving fundamentals, and rose to around 2,055 ringgit/t ex-Malacca in the week ended 22 October.

Similarly, truck offers from Klang Valley hiked up by 14.32pc or 270 ringgit/t from 1 October to around 2,155 ringgit/t ex-Klang in the week ending 22 October.

Operations in construction projects across Peninsula Malaysia gradually resumed after the Malaysian government lifted its strict pandemic-related restrictions in early August. Pavement works and projects have since been operating in full swing before the end of November, where most projects are slated for completion. Bitumen market participants and refiners across Malaysia have noted a strong resurgence in bitumen demand from the construction sector, particularly in the Klang Valley and the northern states of Peninsula Malaysia.

Truck prices from Singapore have risen by 10.6pc or \$45/t since 1 October to around \$470/t on 22 October in tandem with increases in waterborne cargo prices from Singapore.

Recent increases in crude futures and higher sulphur fuel oil (HSFO) prices across the region have eroded margins for refiners, resulting in the optimising of [HSFO production](<https://direct.argusmedia.com/newsandanalysis/ar->

[ticle/2264949](https://direct.argusmedia.com/newsandanalysis/ar-ticle/2264949)).

### Poland's crude runs drop in September

Poland's crude refining volumes fell in September resulting in lower products output according to Polish statistics data.

Poland's refineries processed a combined 2.143mn t (523,000 b/d) of crude last month, down by 8pc on the year and 7pc on the month.

Polish bitumen production in September was at 208,000t, down 7pc on a year-on-year basis, while total bitumen production between January and September stood at 1.1mn t, down 10pc on a year-on-year basis, with bitumen production seeing the largest annual decline in oil products output by Polish refiners so far this year. Market participants however noted that while domestic production had fallen, a weak domestic market had left a glut of supplies for much of the year so far.

## Argus Asia Bitumen Daily

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

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

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



For more information, please contact [singapore@argusmedia.com](mailto:singapore@argusmedia.com) »



NEWS

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For a hard copy, please email [info@argusmedia.com](mailto:info@argusmedia.com), but please note that methodologies are updated frequently and for the latest version, you should visit the internet site.

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