

SUMMARY

Bitumen cargo prices were mostly steady to weaker, as crude and fuel oil values continued to be highly volatile.

Cargo and truck prices across northwest and central Europe showed little clear direction, with sharp Brent crude futures gains on 13 October placing fresh support under high-sulphur fuel oil (HSFO) and bitumen outright prices.

In the Mediterranean, bitumen cargo prices eased as HSFO slipped over the past week, adding to the massive losses sustained in the first week of the month, while some truck prices also fell. Mediterranean bitumen demand was still struggling to keep up with plentiful supply from a raft of European refineries, particularly Greek.

Construction activity across much of sub-Saharan Africa remained subdued, with rainy season conditions severely restricting Nigerian and other west African project work, east African markets struggling with payment issues and activity rates in South Africa remaining below those usually expected during the spring paving season.

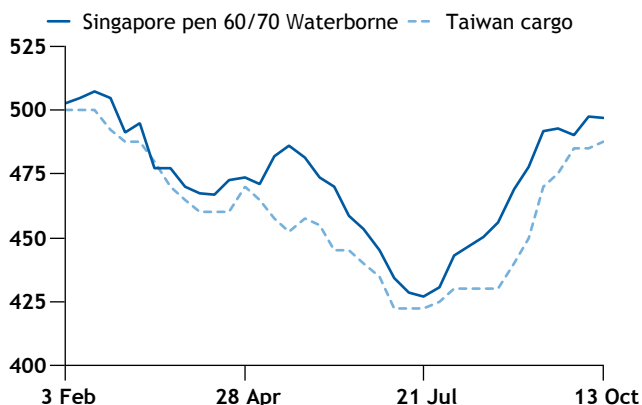
Singapore bitumen prices were steady on the week, shrugging off volatile crude and HSFO values. Near term spot supplies remain curtailed, with a refiner in Singapore expected to cut operating rates slightly in November and December.

PRICES

Bitumen prices at key locations 7-13 Oct			\$/t	
		Low	High	±
Export cargo prices fob				
Mediterranean		452.38	457.05	-10.44
Rotterdam		521.05	526.05	-8.10
Baltic		506.05	511.05	-8.10
Singapore		489.00	505.00	-0.50
South Korea		440.00	455.00	-4.00
Mideast Gulf		336.00	415.00	-13.90
Delivered cargo prices cfr				
North Africa	Alexandria, bulk	511.00	521.00	-7.00
East Africa	Mombasa, drum	439.00	449.00	-20.00
West Africa	Lagos, bulk	654.00	664.00	-6.00
East China coast		470.00	485.00	-10.00
Domestic prices				
Antwerp	ex-works	630	646	+2.00
Southern Germany	ex-works	593	603	+4.00
Hungary	ex-works	619	630	+14.50
Italy	ex-works inc tax	587	598	-1.50
Indonesia	ex-works	637.00	637.00	-5.00
Mumbai	bulk	552.00	556.00	nc

Singapore cargo vs Taiwan cargo

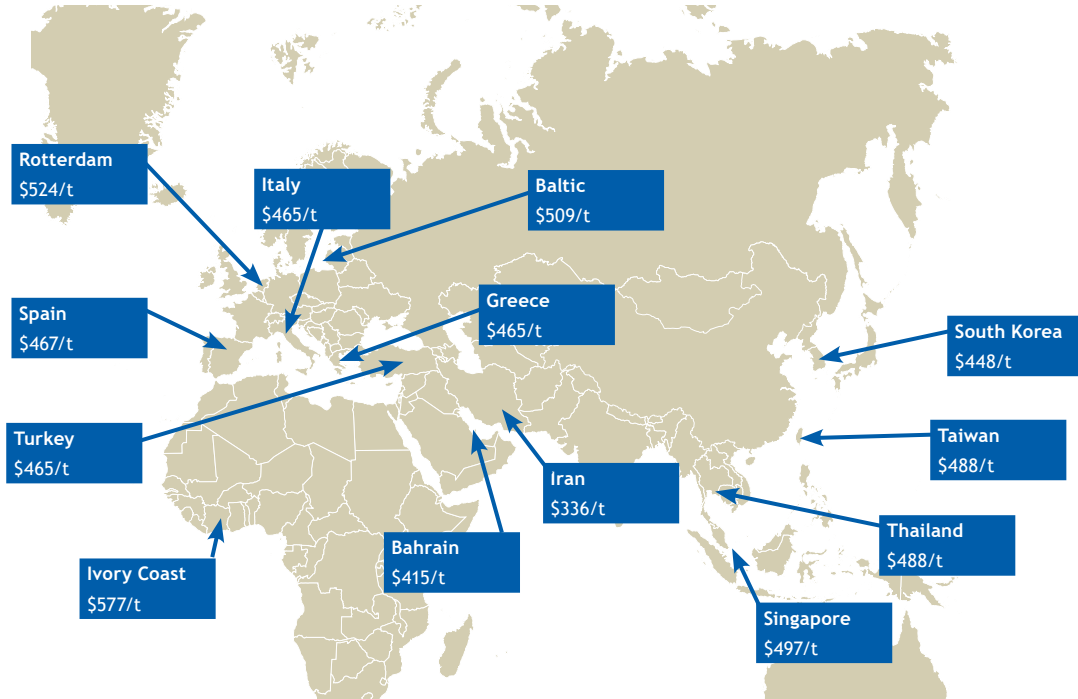
\$/t



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WATERBORNE BITUMEN PRICES, FOB



CARGO FLOWS

The 36,962 dwt *Asphalt Splendor* is set to deliver a cargo into Antwerp Belgium on 16 October after loading in the US Gulf in mid-September.

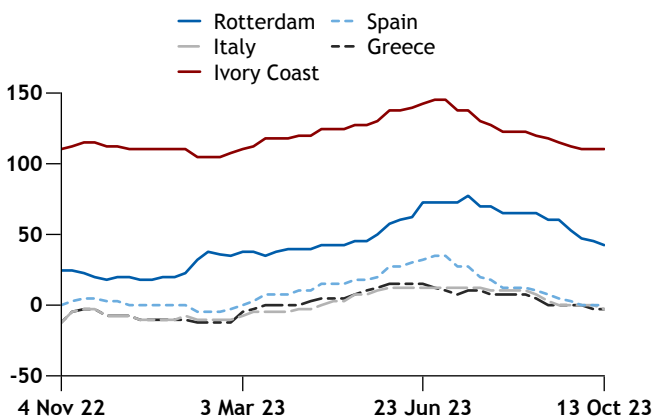
Trafigura's 37,770 dwt vessel, *The Judge*, is heading east of Suez, after departing from Izmir, in late September.

The 5,895 dwt *Asphalt Alliance* is set to load a cargo at Yanbu, Saudi Arabia with its delivery point likely to be Durban, South Africa.

Europe and Africa cargo export differentials to HSFO			\$/t
	Low	High	±
Mediterranean basis Augusta	-14.67	-10.00	-0.84
Rotterdam Netherlands	+40.00	+45.00	-2.50
Baltic	+25.00	+30.00	-2.50
Spain	-2.00	+2.00	nc
Italy	-5.00	+0.00	-2.50
Greece	-5.00	+0.00	nc
Turkey	-5.00	+0.00	nc
Ivory Coast	+108.00	+112.00	nc

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	-203.53	-13.72	-1.38
Rotterdam Netherlands	-134.69	-2.56	-1.00
Baltic	-149.69	-4.99	-1.00
Spain	-191.19	-11.72	-1.24
Italy	-193.69	-12.124	-1.65
Greece	-193.69	-12.12	-1.24
Turkey	-193.69	-12.12	-1.24
Ivory Coast	-81.19	6.11	-1.24

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

NORTH AND CENTRAL EUROPE MARKET COMMENTARY

Summary

Cargo and truck prices across northwest and central Europe showed little clear direction, with sharp Ice Brent crude futures gains on 13 October placing fresh support under high-sulphur fuel oil (HSFO) and bitumen outright prices.

HSFO and bitumen outright values had been drifting lower in the week before the crude uptick, adding to huge crude, HSFO and bitumen cargo price losses during the first week of October.

Rotterdam and Baltic fob cargo differentials to fob Rotterdam HSFO barges were assessed \$2-3/t down at \$40-45/t and \$25-30/t respectively as plentiful northwest European cargo availability, especially out of Rotterdam, was accompanied by seasonally below-par northwest European demand and with Nordic activity and demand already slipping as the winter lull looms.

Most truck prices were steady, but domestic levels in Romania were assessed €22-23/t lower at €595-605/t ex-works, reversing recent price gains, while Benelux and Czech domestic price assessments edged lower. Domestic prices in Poland, as well Hungarian domestic and export prices, rose.

Vitol's 36,962 dwt *Asphalt Splendor* was set to arrive at Antwerp on 16 October after loading in the US Gulf and bunkering at Lisbon, Portugal, but trading and supply firms said the recent sharp declines in European bitumen prices had eliminated any near-term prospects for any more "reverse arbitrage" flows from the US Gulf to northwest Europe.

UK/Ireland

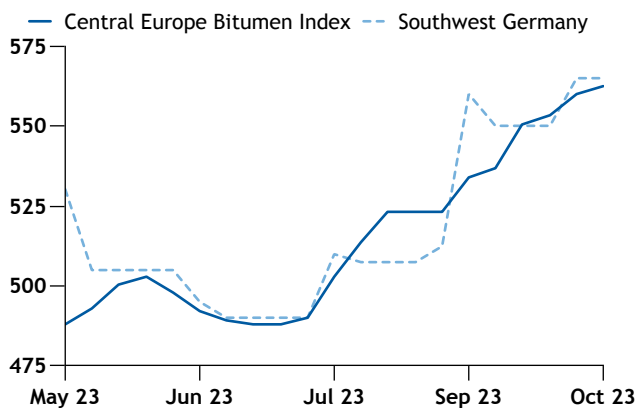
Delivered truck price assessments stayed at £585-595/t in the UK market, although buyers have already started to anticipate price falls for November supplies after a \$60/t

North and central Europe bitumen prices, 7-13 Oct						
	€/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
Rotterdam, Netherlands	595	610	-2.50	630	646	+2.00
Antwerp, Belgium	595	610	-2.50	630	646	+2.00
Northern Germany	580	595	nc	614	630	+4.00
Northeast Germany	545	560	-2.50	577	593	+1.50
Southern Germany	560	570	nc	593	603	+4.00
Southwest Germany	560	570	nc	593	603	+4.00
Western Germany	575	585	nc	608	619	+3.50
Hungary	585	595	+10.00	619	630	+14.50
Romania	595	610	-22.50	630	646	-19.00
Poland	580	590	+5.00	614	624	+9.00
Czech Republic	565	575	-5.00	598	608	-1.50
Germany PMB (diff to Germany)	+140	+150	nc	+148	+159	+0.97
Germany PMB	704	726	0	745	769	+4.47
Export prices, ex-works						
Central Europe bitumen index	557	568	+2.50	589	601	+6.00
Poland-Romania (truck)	555	570	nc	587	603	+3.50
Hungary-Romania (truck)	590	600	+5.00	624	635	+9.00
Serbia-Romania (truck)	530	540	nc	561	571	+3.50
Austria-Romania (truck)	555	565	-2.50	587	598	+1.00
Germany-Poland (truck)	540	550	nc	571	582	+3.50
Hungary-Slovakia (truck)	570	580	+10.00	603	614	+14.50
Poland-Germany (truck)	545	555	nc	577	587	+3.50
Czech Republic-Germany (truck)	535	545	nc	566	577	+3.50
Rotterdam (cargo)				521.05	526.05	-8.10
Baltic (cargo)				506.05	511.05	-8.10
Domestic prices, delivered						
Southern UK £/t	585	595	nc	716	728	+5.00
Northern France	585	595	nc	619	630	+4.00
Central France	585	595	nc	619	630	+4.00
Volyn/Lviv region, Ukraine (truck) hryvnia/t	29,200	30,000	+600	802.35	824.33	+21.46

Crude and refined products, 7-13 Oct				
	Low	High	Average	±
Ice Brent minute marker week range \$/bl	85.68	89.53	87.416	-0.31
Fuel oil 3.5%S, fob RMG barge \$/t	459.50	503.00	481.050	-5.60
Argus Brent Sour \$/bl	92.77	92.83		+2.95
Vacuum gasoil 0.5%S cif cargo \$/t	645.25	675.25		-20.13

Northern Europe cargo freight rates			
	Low	High	±
Rotterdam-Thames	40	42	nc
Hamburg-Thames	48	50	nc
Klaipeda-Thames	75	78	nc
La Coruna-Thames	57	60	nc

South Germany v Central Europe Bitumen Index €/t



NORTH AND CENTRAL EUROPE MARKET COMMENTARY

decline in fob Rotterdam HSFO barges from end-September through to 12 October.

Cargo import flows into UK terminals during the week ending 13 October were made on board the 8,297 dwt *Stella Polaris* which delivered a Rotterdam-loaded cargo into Eastham, northwest England, after its 10 October arrival and the 6,189 dwt *Iver Blessing* that arrived at Teesside, north-east England, on 13 October with another cargo, loaded at Tarragona, Spain. Total UK cargo imports so far this year up until 13 October stood at 700,000t, with around 35pc sourced from Rotterdam followed by 12pc from Port-Jerome, northern France, and 10pc from Tarragona.

The 6,115 dwt *Ping Hai Wan* delivered a cargo into Dublin, Ireland on 13 October.

France

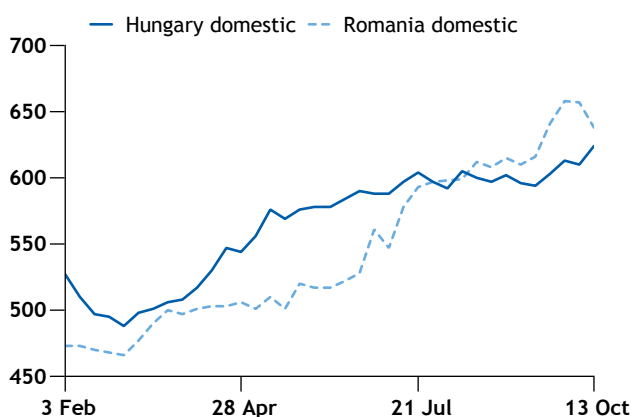
Delivered domestic truck prices were still assessed at €585-595/t in northern and central France and at €560-570/t in the south, while construction activity and bitumen demand was understood to be maintaining its 2023 trend of being significantly down on year-ago levels.

Market participants said French haulage firms were looking for work to move bitumen in road tankers, suggesting weaker demand than would usually be expected for the time of year.

Numerous cargoes were imported into terminals across the French market. They included the 6,384 dwt *Bithav* which moved a cargo into Nantes on the French Atlantic coast, arriving 10 October and the 4,993 dwt *Bitfjord* which was moving a cargo to Bayonne for 14 October arrival after loading at Rotterdam. The 21,500 dwt *Atlantic Narval* and the 8,353 dwt *Castillo de Pambre* discharged product into Blaye and Bayonne after initial deliveries into other markets.

Hungary and Romania domestic

\$/t



Benelux

Truck price assessments for domestic sales into Benelux markets slipped, partly reflecting some downward pressure on spot or incremental volumes over and above monthly contractual supplies after hefty HSFO barge losses since the start of October.

Ex-Antwerp and ex-Rotterdam truck price assessments for domestic Benelux sales were down €2-3/t at €595-610/t ex-works, while market participants said rising cargo availability out of Rotterdam was helping push down indicative differentials for Rotterdam export cargoes, with some expecting sharp falls in those values in the coming few weeks. Rotterdam fob cargo premiums to fob Rotterdam HSFO barges were assessed \$2-3/t at \$40-45/t.

Four cargoes were exported from Rotterdam during the week ending 13 October, feeding demand in the UK, Poland and France.

Germany

Truck prices across the German market were mostly steady, but were assessed €2-3/t lower at €545-560/t ex-works in the northeast.

Miro's 299,000 b/d Karlsruhe shut down some of its units for scheduled maintenance works until the end of November (see news). The turnaround should mostly impact the availability of lighter oil products, with truck lifters out of Miro seeing no impact on bitumen supplies. There was a fire at the 207,000 b/d Bayernoil refinery that damaged a mild hydrocracker, but the full extent of the damage as well as the duration of the repair was not yet known, nor any potential impact on bitumen production and availability.

The latest German Bafa data showed domestic bitumen consumption was 198,528t in July, down 1.7pc lower versus July last year when 201,923t was consumed. Total consumption in the first seven months of 2023 was down 13.9pc at 925,956t from 1.075mn t in the same period of 2022. German bitumen output in July was 368,916t, down 5.5pc from 390,213t produced in July last year, while total January-July output this year was 1.641mn t, down 19.1pc from 2.027 mn t in the same period of last year.

Poland/Czech Republic

Polish domestic truck prices were assessed €5/t higher at €580-590/t ex-works, while Czech domestic truck prices were assessed €5/t down at €565-575/t ex-works.

Despite strong domestic production, Poland continues to import large volumes of bitumen from adjacent markets in the run to its parliamentary elections on 15 October. These

NORTH AND CENTRAL EUROPE MARKET COMMENTARY

imports also include on a cargo on the 4,995 dwt *Bituma*, loaded at Rotterdam, which delivered product into Szczecin on 11 October. Polish suppliers are the same time continuing to move bitumen by truck into Ukraine.

Czech bitumen exports to Germany stayed assessed at €535-545/t ex-works, while Polish exports to Germany were also assessed unchanged at €545-555/t ex-works.

Ukraine

Bitumen prices moved higher in the Ukrainian market, partly reflecting price gains on the domestic Polish market and tight availability of Polish export volumes. Scarce supply of Ukrainian produced bitumen lent additional support to domestic Ukrainian values.

Truck export prices from Orlen's Plock refinery in Poland to Ukraine firmed by €30/t to €570-575/t ex-works for pen 50/70 and 70/100, reaching their highest levels since July 2022, while Uni-Bitumen maintained its export values to Ukraine at €610/t ex-Jaslo.

Domestic Ukrainian truck prices for imported bitumen in the western regions of Ukraine increased by 500-700 hryvnia/t to 29,200-30,000 hryvnia/t (€756-776/t) fca, following the increase in Polish export values.

Domestically produced pen 70/100 bitumen values in central regions was assessed at 26,500-27,500 hryvnia/t (€686-712/t) ex-works, up by 1,000-2,200 hryvnia/t from the previous week ending 7 October. Ukraine-bound bitumen imports in the first eight days of October amounted to 6,900t compared with 5,900t over the same period of September. Imports were up owing to a drop in domestic supplies.

Romania/Hungary/Balkans/Austria

Romanian domestic truck prices were assessed €22-23/t lower at €595-605/t ex-works, reversing recent price gains, but Hungarian domestic export prices to Romania and Slovakia strengthened.

Greek bitumen is currently the most price competitive in terms of supplies into the key Romanian import market, a factor along with recent sharp HSFO losses that has helped drive down domestic Romanian prices. While Rompetrol's domestic truck sales were indicated at \$625-630/t (€590-600/t) ex-works Ploiesti, truck imports from Greece were indicated at delivered Bucharest values ranging from €550-555/t to €570/t.

Greek domestic demand received a boost over the past 1-2 months head of nationwide local elections that were

held on 8 October, with activity and bitumen requirements expected to slow down in the remainder of this season.

Austrian exports to Romania were assessed €2-3/t lower at €555-565/t ex-works, while supplies from Poland were unchanged at €555-570/t ex-works and €5/t higher from Hungary at €590-600/t ex-works. Serbian exports to Romania were assessed unchanged at €530-540/t ex-works, with those flows coming to a virtual halt as the Nis Pancevo refinery's production is directed at the domestic market.

Hungarian domestic truck prices and exports to Slovakia were assessed €10/t higher at €585-595/t and €570-580/t ex-works respectively.

Lukoil's 115,000 b/d Burgas refinery can continue processing Russian crude until October 2024, under a law passed on 28 September but the legislation requires the gradual phase-out of Russian supply (see news). It is unclear what impact a change in crude slate processing at the Burgas refinery will have on bitumen production.

Baltics/Nordics

Spot cargo discussions were scarce across the Baltic region in recent weeks, with fob Baltic bitumen cargo differentials to fob Rotterdam HSFO barges assessed \$2-3/t lower at premiums between \$25-30/t.

Orlen Lietuva kept truck prices from its Mazeikiai refinery at €570/t ex-works for pen 50/70 and 70/100 and €592/t for pen 100/150 and 160/220. Trucks loaded at the refinery continue to feed the Ukrainian market after transiting Poland. Exports to Ukraine reached 5,860t in September, up 1,470t month on month (see news).

The 4,995 dwt *San Bacco*, loaded at Brunsbuttel, discharged into Norwegian terminals at Sandefjord and Alesund. The 6,314 dwt *Bitflower* moved a Delfzijl-loaded cargo to Skelleftehamn, Sweden.

The 4,897 dwt *Black Sunrise*, which had been loaded with a bitumen cargo at St Petersburg in late August/early September, looked to be returning to the Russian Baltic port - for 18 October scheduled arrival - without looking to have concluded an intended sale or delivery into either west or north Africa, mainly because of payment issues.

MEDITERRANEAN MARKET COMMENTARY

Summary

Regional cargo prices eased as high-sulphur fuel oil (HSFO) slipped during the week ending 13 October, adding to the massive losses sustained in the first week of the month, while some truck prices also fell.

Mediterranean bitumen demand was still struggling to keep up with plentiful supply from a raft of European refineries while some such supplies - already high - were on the rise, most notably Greek exports mainly from the Motor Oil Hellas refinery in Agio Theodori. For the 10 months from January to October, MOH bitumen exports were set to exceed 1mn t, surpassing full-year totals registered in 2021 and 2022 (see news).

Some market participants said all fob Mediterranean cargo values had now sunk below flat to fob Mediterranean HSFO cargoes, with Greek and Turkish exports at double digit fob discounts, but some refinery exporters said they were still obtaining slim single digit premiums while others - for example in Spain - were having to indicate their values at around flat in a bid to attract buying.

Spanish fob cargo differentials were still assessed either side of flat to fob Mediterranean HSFO cargoes, while Greek and Turkish exports stayed in the flat to minus \$5/t fob range. Italian cargoes were however assessed \$2-3/t down at minus \$5/t to flat as deals were reported to have been concluded from Augusta, Sicily, into Algerian terminals at high \$30s/t delivered, down on previous levels in the low \$40s/t.

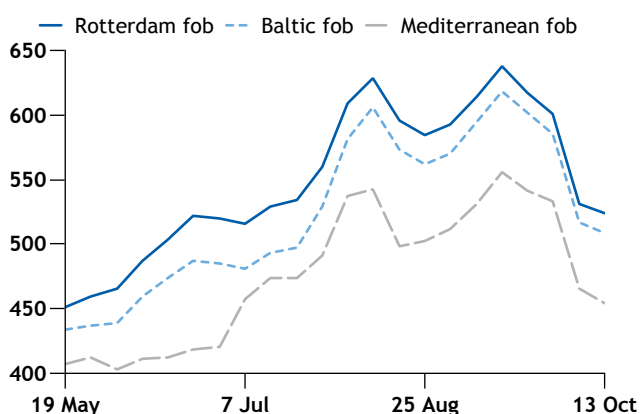
While the heavy HSFO and bitumen outright losses this month led fob Spain cargo prices to flip back into premiums to cif New York values, the gap between the two regional prices was still far too small and US demand insufficient to open up any westbound transatlantic arbitrage to the US. The Latin American market remained busy, however, but its

Mediterranean price index			\$/t
	Low	High	±
Mediterranean fob (Augusta)	452.38	457.05	-10.44
Differential to HSFO	-14.67	-10.00	-0.84

Mediterranean bitumen prices, 7-13 Oct						
	Local currency/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
Italy, including tax	555	565	-5.00	587	598	-1.50
Southern France (delivered)	560	570	nc	593	603	+4.00
Spain	610	620	nc	646	656	+4.50
Izmit, Turkey	14,741	14,741	-384.00	532	532	-18.00
Izmir, Turkey	14,741	14,741	-384.00	532	532	-18.00
Batman, Turkey	14,741	14,741	-384.00	532	532	-18.00
Kirikkale, Turkey	14,741	14,741	-384.00	532	532	-18.00
Export prices, fob \$/t						
Differential to HSFO						
Italy	-5.00	+0.00	-2.50	462.05	467.05	-12.10
Greece	-5.00	+0.00	nc	462.05	467.05	-9.60
Spain	-2.00	+2.00	nc	465.05	469.05	-9.60
Turkey	-5.00	+0.00	nc	462.05	467.05	-9.60
Delivered cargo prices, cfr						
Alexandria, Egypt				511.00	521.00	-7.00
Ghazaouet, Algeria				512	522	-6.00
Rades, Tunisia				510	520	-9.00
Economics						
				Mid		±
Bitumen's value as a fuel oil blendstock \$/t				382.592		-3.15

Crude and refined products, 7-13 Oct				
	Low	High	Average	±
Fuel oil 3.5% 0.998 fob	444.50	493.00	467.050	-9.60
Basrah Heavy fob Med \$/bl	89.29	89.35		+3.16
VGO 0.5% west Med cif \$/t	645.25	675.25		-19.25

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



Mediterranean cargo freight rates				\$/t
	Low	High		±
Augusta-Mohammedia	73	77		nc
Tarragona-Mohammedia	49	53		nc
Augusta-Alexandria	57	61		nc
Augusta-Tunis-Rades	46	49		nc
Livorno-Tunis-Rades	47	50		nc
Tarragona-Gazaouet	46	50		nc
Aspropyrgos-Corinth-Agio Theodori-Alexandria	48	52		nc

MEDITERRANEAN MARKET COMMENTARY

import requirements were being largely met from the US Gulf, with no Mediterranean cargo flows indicated to south America during the week ending 13 October.

Truck prices in Greece and Turkey continued to track the fall in fob Mediterranean HSFO prices, falling by €17/t to €508/t ex-works in Greece and by Turkish Lira 384 (\$18/t) to TL14,741/t (\$532/t) ex-works in Turkey. Truck prices in Italy were assessed €5/t lower at €555-565/t ex-works (including the €31/t domestic duty) while Spanish truck prices stayed assessed at €610-620/t ex-works.

The 5,261 dwt *Asphalt Alliance* arrived at Saudi Aramco-Luberef's Yanbu terminal on the Saudi Red Sea coast on 13 October to load a second truck-to-ship cargo since those flows began in September with the loading of the 7,226 dwt *lanthe* that was moving its cargo to Durban, South Africa. Both cargoes were understood to have been purchased by Richmond Group, though the latter purchase had yet to be confirmed by the firm, nor was the cargo's destination that some market participants still expected to be to South Africa, despite growing oversupply of import cargoes.

Morocco/Algeria/Tunisia

Delivered cargo price indications into north African destinations continued to come under pressure, with one deal for part-cargo deliveries into two Algerian terminals understood to have been concluded at high \$30s/t delivered premiums to fob Mediterranean HSFO cargoes.

While the sizeable September gains in bitumen outright prices had led to fears of a dramatic fall in Algeria's October import volumes after some contractors scaled back their buying, Algerian importers said the situation had stabilised in the week ending 13 October, triggering some fresh purchases.

The 8,021 dwt *Poestella* delivered product into Skikda and Algiers on 8 and 11 October while the 8,476 dwt *Black Shark* delivered part-cargoes into Arzew Djen-Djen, the latter on 13 October, with both vessels loaded at Augusta, Sicily. Still, only 20,000t of bitumen has been imported into Algerian terminals in the first two weeks of October vs around 60,000t in all of September.

The 9,320 dwt *Asphalt Teranga* shipped a cargo from Agio Theodori firstly into Agadir, southern Morocco, and then into Mohammadia for 14 October arrival, while the Tarragona-loaded 7,944 dwt *Lilstella* delivered product into Port Nador, northeast Morocco, on 13 October.

The 6,187 dwt *Iver Best* moved a cargo from Aspropyrgos, Greece, into Tunisian terminals at Gabes and Sfax on 11-12 October.

Egypt/Libya

There remained no signs of resumed cargo import activity into Alexandria, with increasing expectations amongst regular suppliers into Egypt that state-owned EGPC will not issue any import tenders for the remainder of this year.

That means no such flows at all during 2023, flows that had been an important element of export business, especially out of Greek and Turkish export points, over many years.

Following the start of hostilities between Hamas and Israel, the Rafah border crossing between Gaza and Egypt was closed, although there were calls for a re-opening to enable flows of essential goods into Gaza.

There have been no cargo imports into Libyan terminals since August when a flurry of three cargo deliveries were imported into Tripoli and Misrata, with the difficulty of obtaining letters of credit seen as an obstacle to one potential sale into Libya during the week ending 13 October.

Spain/Portugal

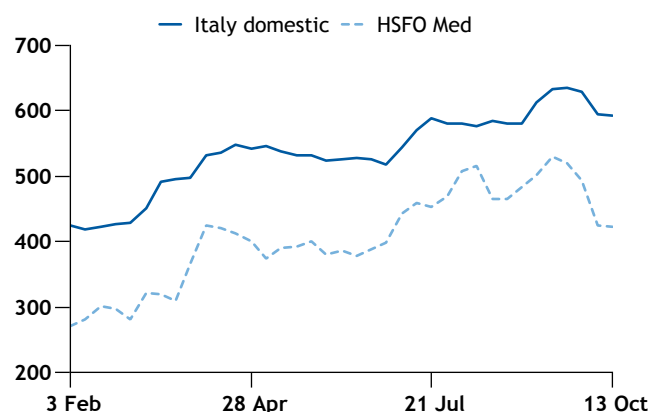
Spanish bitumen cargoes stayed assessed at around flat to fob Mediterranean HSFO cargoes, while Spanish domestic truck prices were also assessed unchanged at €610-620/t ex-works.

Spot cargo deals were thin during the week ending 13 October, with exports slow in the first two weeks of October compared with the previous month and with suppliers looking to sell surpluses arising from low levels of Spanish domestic demand.

Two cargoes were nonetheless exported from Tarragona UK and Moroccan terminals.

The latest statistics from Spain's strategic reserve body Cores showed consumption of asphalt products was 90,610t

Italy domestic and Mediterranean HSFO fob cargoes \$/t



MEDITERRANEAN MARKET COMMENTARY

in July, up 18.1pc compared to the 76,742t consumed in July last year. Consumption in the first seven months of 2023 was 563,803t, nearly 20pc up from 471,860t in the same period of last year.

There were no cargo deliveries into Portuguese terminals in the week ending 13 October.

Italy

A slippage in north African delivered price indications helped push down Italian fob cargo assessments by \$2-3/t to minus \$5/t to flat to fob Mediterranean HSFO cargoes.

Italian domestic truck prices were assessed €5/t lower at €555-565/t ex-works, including the €31/t tax on the sale of bitumen.

Truck prices in the south of the country were indicated premiums of up to €20/t to those in the north. Polymer-modified bitumen (PMB) grades currently command a premium of around €110-120/t to standard paving grades.

While demand has steadily picked for seasonal reasons, one supplier said October activity and bitumen requirements in Italy were below expected levels. That could change as contractors look to finish projects before year-end.

Greece

Greek bitumen exports from January to October are on course to exceed 1mn t, surpassing full-year exports for 2021 and 2022 (see news).

Bitumen exports from Agio Theodori have stepped up in recent months. This could be partly linked to an upgrade and expansion of one of the Corinth refinery's crude distillation units this year. Hellenic Petroleum has also remained an active exporter of 4,000t cargoes from Aspropyrgos, the firm issuing a fresh sell tender for second half October loading dates. Traders said its previous tender had been awarded at a \$30/t fob discount to fob Mediterranean HSFO cargoes, although that has not been confirmed.

Trafigura's 30,100 dwt vessel, *The Blacksmith*, was set to start loading at Agio Theodori after a stop at Eregli on Turkey's Black Sea coast.

According to a government agency, Greek domestic truck prices slipped during the week ending 13 October from €525/t to €508/t ex-works.

Turkey

Tupras cut its posted domestic truck prices again, this time by Turkish Lira 384/t (\$18/t) to TL14,741/t (\$532/t) ex-works, having slashed slashed prices by TL1,173/t (\$48/t) in the first week of October.

The recent cuts mean Turkish domestic prices are, alongside Greek values, amongst the lowest domestically in the Mediterranean.

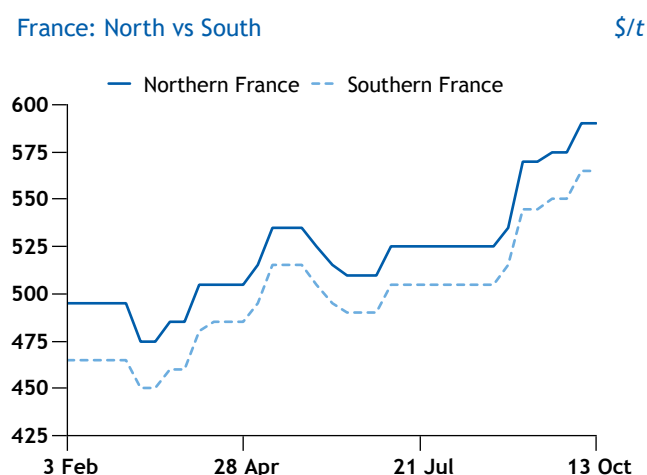
The 4,881 dwt *My Worry* moved a cargo from Izmit to Constanta, Romania, arriving 10 October, while the 14,786 dwt *T.Adalyn* shipped another Izmit cargo to Lavera, France, for 17 October arrival. There have been no bitumen exports from terminals on Turkey's southern coast since early September.

The latest official Turkish EPDK data showed bitumen production from Tupras' four refineries at Izmit, Izmir, Kirikkale and Batman totalled 316,282t in July, the highest of any month so far this year. Bitumen output from each refinery was 79,290t, 114,965t, 65,258t and 56,869t respectively.

Production at the Izmir refinery was around 20,000t higher in July compared to June, while production from the other refineries was mostly steady.

The higher production was attributed to strong demand at the peak of the Turkish paving season and numerous large cargo vessels being exported from Izmit and Izmir that month. Cumulative output from Tupras' refineries in the first seven months of the year surpassed 1.5mn t, 18.4pc higher compared to the 1.28mn t produced in the same period of 2022.

France: North vs South



SUB-SAHARAN AFRICA MARKET COMMENTARY

Summary

Construction activity across much of sub-Saharan Africa remained subdued, with rainy season conditions severely restricting Nigerian and other west African project work, east African markets struggling with payment issues and activity rates in South Africa remaining below those usually expected during the spring paving season.

Cargo prices tended slightly lower into west Africa, adding to hefty declines in the first week of October, while domestic South African truck price assessments held steady, while Mideast Gulf bulk and drummed values into east African ports slipped.

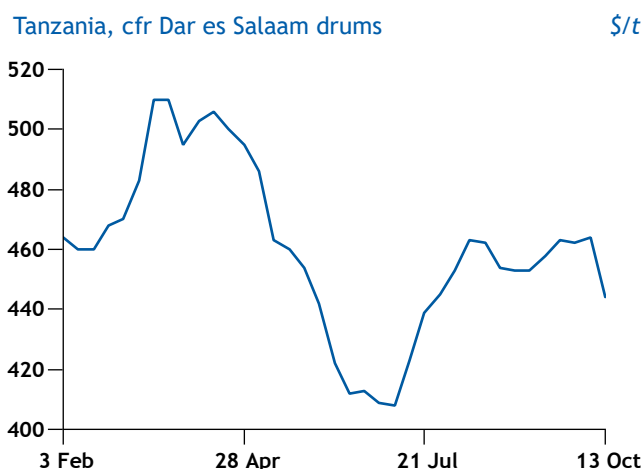
West Africa

Market participants reported scant inquiries for spot cargo movements into Nigeria that along with some other west African countries continued to see road-building activity and bitumen demand restricted by rainy season conditions.

Regional cargo import prices tended slightly lower again during the week ending 13 October after huge outright price declines in the first week of the month that had been driven by crude and Mediterranean high-sulphur fuel oil (HSFO) losses.

Brent crude futures staged a modest rebound during the week ending 13 October after the escalating conflict in the Middle East, but HSFO cargo values were still easing down compared with the previous week's average values.

Spanish and Ivory Coast bitumen fob cargo differentials to fob Mediterranean HSFO cargoes were still assessed at around flat and plus \$110/t respectively, while freight rate assessments into Nigerian and Ghanaian ports were also unchanged.



Sub-Saharan Africa bitumen prices, 7-13 Oct						
	Local currency/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
South Africa	15,800	16,300	nc	826	852	+5.00
Import/export prices \$/t						
Ivory Coast, fob Abidjan (export, cargo)				575.05	579.05	-9.60
Nigeria, cfr Lagos (import cargo)				654.00	664.00	-6.00
Ghana, cfr Takoradi-Tema (import, cargo)				619	629	-7.00
Kenya, cfr Mombasa (import, drums)				439.00	449.00	-20.00
Tanzania, cfr Dar es Salaam (import, drums)				439	449	-20.00

Africa freight rates \$/t			
	Low	High	±
Abidjan-Lagos-Warri-Port Harcourt (cargo)	63	68	nc
Abidjan-Takoradi-Tema (cargo)	43	48	nc
Tarragona-Lagos-Warri-Port Harcourt (cargo)	200	210	nc
Bandar Abbas/Jebel Ali-Mombasa (drums)	40	50	nc
Bandar Abbas/Jebel Ali-Dar es Salaam (drums)	40	50	nc
Bandar Abbas/Jebel Ali-Djibouti (drums)	100	110	nc

The 45,986 dwt *Bitu Atlantic* was sailing to Turkey for its next expected cargo loading from Turkish refiner Tupras, having left the west African bitumen terminal hub at Lome, Togo, on 3 October. Its sister ship, the 45,974 dwt *Bitu Express*, was heading from Lome to Conakry, Guinea, for 15 October arrival for what was likely to be a small part-cargo discharge into the port.

Nigeria/Ivory Coast/Angola/Cameroon

Heavy and persistent rainfall continued to hit large parts of Nigeria, especially in the south, with neighbouring countries like Ghana, Ivory Coast and Cameroon also affected.

That meant road and highway project work was still subdued, especially in the key Nigerian market, meaning no reported spot cargo requirements into the country's import terminals during the week ending 13 October, international trading and supply firms said.

Recent cargo deliveries did include one shipment into a Warri terminals on board the 4,900 dwt *San Biagio*, under long-term time charter with Ivory Coast refinery producer SMB, which on 13 October was sailing back to the firm's Abidjan refinery and terminal complex.

The 11,406 dwt *Biskra*, which had shipped a cargo loaded off Lome, Togo, in a ship-to-ship operation with the *Bitu Express*, into the Asca/Ringardas terminal at Sapele, Nigeria,

SUB-SAHARAN AFRICA MARKET COMMENTARY

was then set to make a further part-cargo delivery into Douala, Cameroon, where it was scheduled for 16 October arrival.

The 6,033 dwt *Jane Asphalt*, operated by Gradient Bitumen for supply into its Warri terminal, was expected to end its two-month dry docking work at the Tuzla shipyard in Turkey at the end of October, with the possibility that the tanker would then load a Tupras cargo - most likely from the Turkish refiner's Izmit export terminal - for November shipment into Nigeria. No such cargo deal had yet been struck, however.

The 15,000 dwt *Bitu River* conducted part-cargo discharge operations into Luanda, Angola, on 7-9 October before heading for at least one - more likely two - part-cargo deliveries into South Africa, starting with Cape Town.

East Africa

Import prices into regional ports fell, reflecting export price declines for both Iranian and Bahraini flows, while east African demand patterns remained patchy with dollar access and payment issues continuing to stymie efforts to conclude bitumen transactions.

Iranian bulk cargo prices were assessed around \$3/t down at \$332-340/t fob Bandar Abbas, while Iranian drummed export assessments fell \$20/t to the \$395-403/t fob Bandar Abbas range. Bahraini state-owned Bapco cut its bulk cargo export prices by \$25/t to \$415/t fob Sitra.

No change was indicated by market participants regarding freight rates for drummed bitumen movements from Bandar Abbas and/or Jebel Ali, UAE, into Mombasa, Kenya, Dar es Salaam, Tanzania or the Horn of Africa port of Djibouti. Assessments for Bandar Abbas/Jebel Ali to Mombasa and Dar

es Salaam stayed at \$40-50/t and to Djibouti at \$100-110/t, although there remained an absence of drummed flows into Djibouti for onward shipments to markets like Ethiopia.

Kenya/Uganda/Tanzania/DRC/Ethiopia

Regional activity remained mixed, with money issues continuing to restrict the ability of trading and supply firms to complete transactions into markets like the Democratic Republic of Congo (DRC) and Ethiopia, as well as South Sudan.

Ugandan activity and import requirements, mainly in drummed flows via Mombasa, Kenya, remained modest, while the Kenyan market itself has been in a phase of increased government funding disbursements to enable more project work and generate increased bitumen requirements. Market participants said, however, such spending phases have been on and off for much of the year and the immediate outlook was unclear.

A container ship, the *Arezo*, in Iranian state-owned IRISL's fleet arrived at Mombasa on 12 October to discharge drummed bitumen and other products into the Kenyan port, although there was no immediate indication on the bitumen volumes on board for the Kenyan and Ugandan markets.

There was no sign yet of a slippage in domestic Kenyan truck prices that had been forced higher during September and into the first week of October, mainly by a depreciating Kenyan shilling against the dollar, reaching KES 103/kg (\$692/t) ex-works for bulk flows and KES102-105/kg (\$685-706/t) ex-works Mombasa, ex-works Mombasa, in the first week of October.

Prices for bulk truck loadings were indicated during the week ending 6 October at Kenyan Shillings 103/kg (\$692/t) ex-works, while drummed trucks were indicated by some players as high as KES105/kg (\$706/t), although drummed suppliers in the previous week ended 29 September had indicated drummed prices around the KES102/kg (\$685/t) mark.

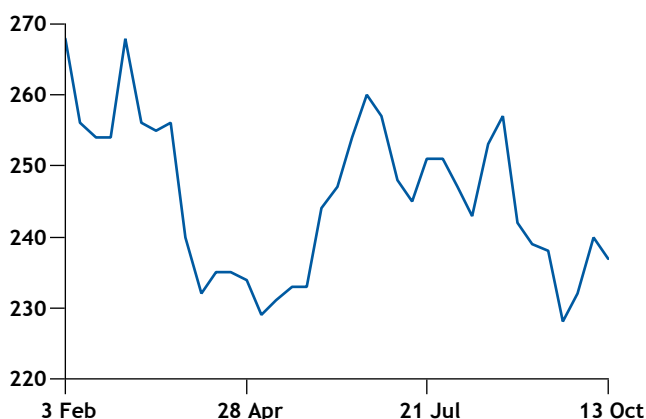
Local prices have pressured upwards by further recent weakening in the shilling versus the dollar, as well as by import price gains in dollar terms. The Kenyan currency had by 6 October fallen to 148.8 to the dollar from 145.5 a month earlier and 123.5 at the start of this year.

Southern Africa

Regional importers and end-users increasingly struggled to absorb a wave of import cargoes that were mainly heading into Durban, resulting in sizeable unsold cargo volumes and current and anticipated delays in berthing schedules for bitumen tankers heading into Durban.

Project activity and bitumen requirements, whether in

West Africa cargo cfr- Med HSFO fob cargoes



SUB-SAHARAN AFRICA MARKET COMMENTARY

South Africa or numerous markets across the region, was insufficient, as was storage space, to accommodate all the incoming flows, with the new construction season in South Africa since September failing so far to generate as much road-building and sealing work as some suppliers had anticipated.

Market participants pointed to an uptick in road project activity in Namibia, including work in Windhoek on the country's west coast that was generating 500t/month of import flows from South African storage terminals of pen 50/70 decanted into drums moved on flatbed trucks.

South Africa

Sizeable bitumen volumes in a wave of incoming cargoes to Durban - mainly from Mideast export points - remained unsold because of insufficient requirements for current project work or storage space to hold all the inflows.

The situation is likely to be eased somewhat once FFS Refiners completes its 7,500t Durban bitumen terminal facility that will enable direct ship-to-tank deliveries, although the terminal is only expected to be completed in December before first cargo imports targeted for January 2024 (see news).

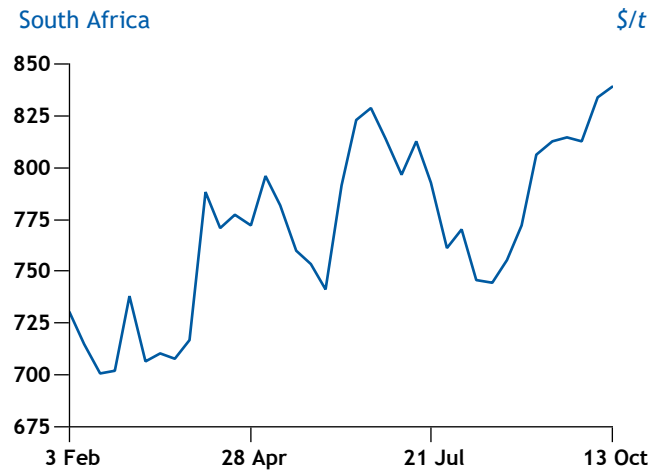
Around 5,000t of bitumen on board the 7,917 dwt *Tai Hua Wan*, which had been loaded at Sitra, Bahrain, remained unsold as of 13 October, after just 1,400t had found buying outlets in South Africa by the previous day. That import cargo was accompanied by another on the 12,780 dwt *Izmit*, Turkey, loaded *San Du Ao* that started discharging into Durban on 12 October. The 7,917 dwt *Cheng X* and the 5,887 dwt *Saagar* had already arrived off Durban on 9-10 October after loading at UAE loading points. Those flows are to be followed by another cargo being moved from Yanbu, Saudi

Arabia, on the 7,226 dwt *Ianthe* that was due to arrive at Durban on 20 October. A fresh cargo was set to be loaded at the Saudi Aramco Luberef Yanbu terminal on board the 5,261 dwt *Asphalt Alliance* after its arrival at Yanbu on 13 October, although the destination of that cargo was yet to be indicated.

In addition to all those flows, the 15,000 dwt *Bitu River* was scheduled to arrive at Cape Town on 16 October from Lome, Togo, to discharge a part-cargo, while South African market participants expect a further 5,000t to also be discharged into Durban.

Domestic truck price assessments stayed in the Rand 15,800-16,300/t ex-works after hefty gains in the first week of October as new monthly prices were implemented by refinery and terminal suppliers. Cargoes heading into Durban were indicated for incoming shipments at values ranging from \$720-730/t to \$750-760/t on a cfr Durban basis. Some Mideast Gulf cargo volumes were however being reported by market participants to have been offered as low as \$640/t cfr Durban, with only about 300t of that specific - likely around 5,000t - cargo consignment having been sold so far into South African buyers.

South Africa





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ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Singapore

Singapore bitumen prices were steady on the week, shrugging off volatile crude and high-sulphur fuel oil (HSFO) values. Near term spot supplies remain curtailed, with a refiner in Singapore expected to cut operating rates slightly in November and December.

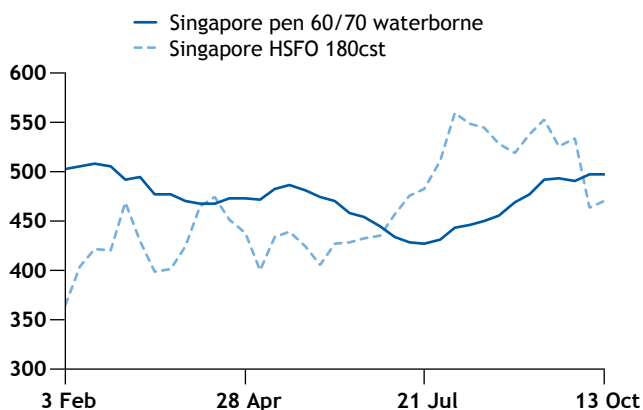
Overall demand and supply fundamentals were more balanced, as weak demand from south China left importers there unable to fully absorb previously committed October-loading volumes. Some traders have been looking to direct these cargoes to other markets instead, including Indonesia, easing regional supply tightness.

While suppliers initially sought to maintain offers at \$510-515/t fob Singapore, buyers were reluctant to budge on pricing and several trades for November-loading cargoes during the week were transacted at around \$490-500/t fob levels. Two deals were done early in the week, the first for a 2,500-3,000t, November-loading cargo at a netback equivalent of around \$490-495/t fob Singapore, with the cargo likely heading to Indonesia. The second deal was for a smaller parcel size, transacted at around \$495-505/t fob Singapore. A third deal was done towards the end of the week, for a 3,000-3,500t, November cargo at \$490-495/t fob Singapore.

Offers for January emerged at around \$485/t fob Singapore, suggesting a return to a backwardated market structure. An oil major is likely looking to off-load some volumes, anticipating a drop in demand across the lunar new year holiday in early-February next year.

Some enquiries emerged from Malaysia and Indonesia, with importers seeking to secure some November laycan cargoes. These buyers had been holding out on purchases in early-October, anticipating that prices may come under pressure following declines in crude values. Those who

Singapore pen 60/70 and HSFO cargoes \$/t



Asia bitumen prices, 7-13 Oct						
	Local currency/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
Mumbai, India	45,930	46,230	nc	552.00	556.00	nc
Mumbai, India (drums)	55,230	56,130	nc	664	675	nc
Indonesia	9,990,000	9,990,000	nc	637.00	637.00	-5.00
Singapore	685	717	-2.00	502	525	nc
Singapore-Malaysia ex-ref	699	714	+5.00	512	523	+5.00
Japan	92,000	92,000	nc	617	617	nc
East China	3,850	3,970	-40.00	527	544	-6.50
South China	3,720	3,850	+95.00	510	527	+12.00
Waterborne, fob						
Iran				332.00	340.00	-2.80
Iran (drums)				395	403	-20.00
Bahrain	156	156	-10.00	415	415	-25.00
Singapore	667.00	689.00	-3.00	489.00	505.00	-0.50
Thailand	17,605	18,156	+20.50	480	495	+2.50
South Korea	591,337	611,496	-8,638.00	440.00	455.00	-4.00
Taiwan	15,427	15,909	+11.50	480	495	+2.50
Waterborne, cfr						
East China coast	3,431	3,541	-68.50	470.00	485.00	-10.00
South China coast	3,504	3,687	-32.00	480	505	-5.00
Economics				Mid		±
Bitumen's value as fuel oil blendstock, Singapore				407.194		-2.73

Bitumen Vessel Demurrage Rate			
	Low	High	±
Singapore, 5,000 dwt vessel per day	12,000	13,000	nc
Singapore, 5,000 dwt vessel per tonne	4.80	5.20	nc

Asian Bitumen Price Index		
	Index	±
ABX 1 fob Singapore	497.00	-0.50
ABX 2 fob South Korea	447.50	-4.00

Monthly Average (contract)		
Contract	Sep 23	Aug 23
ABX 1	488.15	452.91
ABX 2	436.88	423.3

Fob Mideast Gulf Price			
	Low	High	±
Mideast Gulf fob (\$/t)	336.00	415.00	-13.90

Crude and refined products, 7-13 Oct			
	Low	High	±
Dubai fob Dubai \$/bl	87.08	88.80	-0.92
Banoco Arab Medium \$/bl	89.09	91.02	-0.68
Fuel oil HS 180cst fob Singapore \$/t	470.25	488.75	-7.00
Fuel oil HS 380cst fob Singapore \$/t	453.00	462.50	-9.50
Gasoil 0.5% fob Singapore \$/bl	109.45	113.80	-3.45

ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

found themselves needing to purchase volumes this week had to accept prices in the range of \$490-505/t fob Singapore, given that there are limited offers left for November laycans from refiners.

In Vietnam, the availability of relatively lower-priced South Korean and Middle East cargoes has trimmed demand for bitumen exports from Singapore over the past few weeks. Export arbitrage to south China remains largely closed off, with fob Singapore prices unable to compete with pricing in the domestic market.

Prices for Singapore tank trucks sold into Malaysia continued to uptrend, amid limited supplies, rising by \$4-5/t to \$512-523/t ex-refinery, from \$508-517/t ex-refinery last week. Some Singapore refiners are still imposing a daily export quota on buyers, while another refiner continues to hold off the sale of trucked bitumen since September.

Malaysia

Bitumen consumption was overall slightly slower from last week, as persisting rainy weather hampered demand. Higher selling prices from Singapore refiners have deterred some buyers, who held back amid volatile crude values. This has discouraged several contractors from starting or continuing road construction projects, as they opted to stay on the side lines in anticipation of softening bitumen prices.

Supply continues to be limited, causing domestic prices to be slightly firmer.

Listed prices for Malacca rose again to 2,560-2,600 ringgit/t (\$540.76-549.21/t) from 2,520-2,570 ringgit/t last week. Ex-Kemaman prices rose further by 50 ringgit/t to around 2,550 ringgit/t, while ex-Tanjung Langsat truck prices were stable at around \$520-530/t. Prices for trucks delivered into Johor rose to about 2,620 ringgit/t, compared with 2,560-2,590 ringgit/t last week.

Indonesia

Market activity in Indonesia picked up slightly with more enquiries surfacing, although some market participants noted that demand was below expectations. But there is still some optimism that consumption could rebound in November, as projects need to be completed before the year ends.

There was a Singapore-origin cargo, with a size smaller than 2,000t, sold to Indonesia at around \$495-505/t fob Singapore. Another 3,000t, Singapore-origin cargo was sold at about \$490-495/t fob Singapore. Both cargoes are to be loaded in first-half November.

There was also a multi-port discharge 4,000-4,500t cargo sold from South Korea at around \$550-560/t on a cfr basis, to

Bitumen freight, 7-13 Oct	\$/t		
Singapore-east Australia	160	170	nc
Singapore-west Australia	110	120	nc
Singapore-Gresik, Indonesia	40	45	-2.50
Singapore-north Vietnam	55	65	-2.50
Singapore-south Vietnam	38	45	-1.00
Singapore-south China	55	65	-5.00
Thailand-south China	55	65	-5.00
Thailand-east Australia	160	170	nc
Thailand-west Australia	115	120	nc
Taiwan-Haiphong, Vietnam	40	45	nc
South Korea-east China	26	32	-2.50
South China-Haiphong, Vietnam	33	37	-2.50

be loaded between late-October and early-November.

Overall buying indications for end-October and first-half November cargoes were slightly lower at around \$475-500/t fob Singapore, compared with \$480-500/t fob Singapore last week. Softening crude values and the availability of export cargoes from east Asia resulted in lower buying indications. Meanwhile, selling indications were around \$495-500/t fob Singapore.

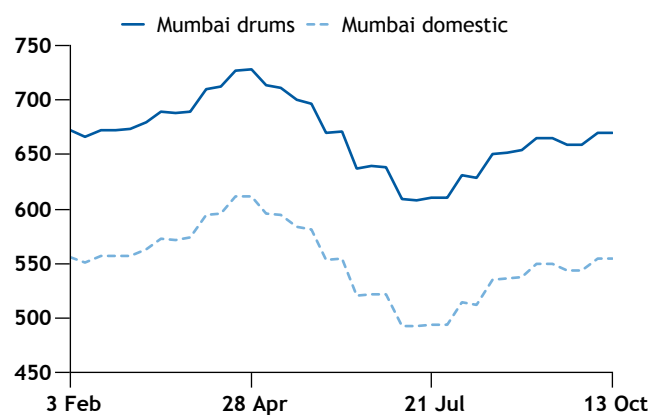
Thailand

Activity in Thailand's seaborne market picked up slightly as buying appetite from other southeast Asian markets rose. Supplies for spot cargoes loading in October-November remain limited, with one domestic refinery likely having a planned maintenance.

A 3,000-3,500t Thai-origin cargo was sold to a southeast Asian destination at around \$480-485/t fob Thailand, to be loaded during end-October. There was also an offer to the same destination at around \$535/t on a cfr basis, also load-

India domestic v drum

\$/t



ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

ing during end-October. A bid also emerged at around \$495/t fob Thailand for a November-laycan cargo.

Vietnam

Demand for November laycan seaborne cargoes from Vietnam was stronger compared with last week, as consumption showed signs of improving. But end-October laycan enquiries remain limited.

Stronger buying interest in the northern regions was offset by lacklustre demand amid wet weather in the south, weighing on domestic selling prices. This pushed some market participants to source relatively cheaper northeast and southeast Asian, non-Singapore origin seaborne cargoes.

A deal for a 2,000-4,000t, Thailand origin, end-October laycan cargo was sold on a cfr south Vietnam basis, which was estimated to netback to around \$480/t fob Thailand. A deal for a November laycan northeast Asia origin cargo was concluded at around \$540/t cfr north Vietnam, with estimated freight of around \$40-45/t. But details regarding the volume was unavailable at the time of publication.

End-October and November laycan Singapore origin cargoes were offered at as high as \$550/t cfr south Vietnam and \$560/t cfr north Vietnam, which met indicative bids at \$530-540/t cfr south Vietnam and \$540-555/t cfr north Vietnam. Some market participants also note that availability of relatively lower cost Middle East origin bulk cargoes limited buying interest for Asia origin material.

South Korea

The weekly fob South Korea ABX 2 inched lower to \$447.5/t, down \$4/t from last week.

Exports from South Korea to China will likely dip in Octo-

Australia import cargo prices, 7-13 Oct			\$/t
	Low	High	±
Thailand fob (Class 170)	507	517	-1.00
Thailand fob (Class 320)	512	522	-1.00
Singapore fob (Class 170)	510	520	-1.00
Singapore fob (Class 320)	512	522	-1.00

Mideast Gulf to India freight rates			\$/t
	Low	High	±
Bandar Abbas-Nhava Sheva (drums)	15	20	nc
Bandar Abbas-Mundra (drums)	18	20	nc
Bandar Abbas-Mundra (bulk)	80	85	nc
Bandar Abbas-Karwar (bulk)	90	95	nc
Bandar Abbas-Haldia (bulk)	130	135	nc
Bandar Abbas-Mumbai (bulk)	85	90	nc
Bandar Abbas-Mangalore (bulk)	95	100	nc

ber and November, with relatively higher prices of South Korean exports unable to compete with prices in the domestic Chinese market. Workable prices from Chinese buyers were in the range of \$430-450/t fob South Korea.

A South Korean refiner will possibly be issuing a sell tender for November-loading cargoes in the coming week, though suppliers could face an uphill task off-loading these cargoes to the traditional destination market of China as muted import buying there shows no signs of abating.

Some market participants suggest that there is a high possibility that a portion of fresh November-loading export tenders would end up in southeast Asia. Several parcels of October-loading cargoes from South Korea were ultimately sold to buyers in Vietnam, who were seeking alternatives to higher-priced Singapore exports.

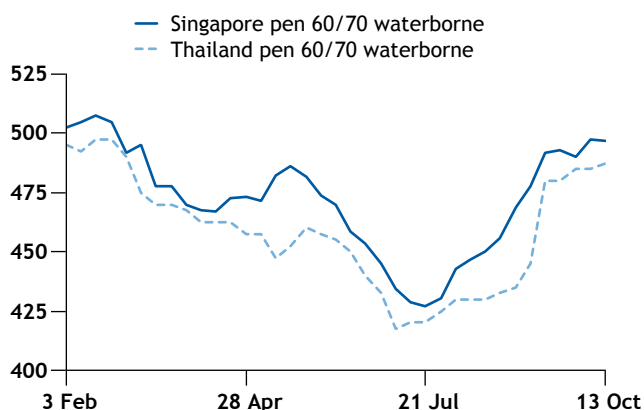
China

Domestic ex-works prices in China's east dipped slightly to around 3,850-3,970 yuan/t (\$526.92-543.35/t) from Yn3,900-4,000/t, while prices in the south rose to around Yn3,720-3,850/t, against Yn3,650-3,730/t.

Some restocking activities took place following the Golden Week holiday, providing support to domestic demand early in the week. Market participants also expect that road construction works in areas of east China previously affected by the Hangzhou Asian Games could now resume. But buying interest faded as the week progressed, and domestic prices edged lower.

Singapore and Rayong waterborne

\$/t



ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

Iranian export sales through the IME, 7-12 Oct						
Grade	Seller	Volume	Packing	Price rials/kg	Destination	
Pen 60/70	Pasargad Oil	13,900	Bulk & Drum	169,500-195,000	Export by ship fob Bandar Abbas	
Pen 60/70	Pasargad Oil	3,000	Bulk	151,000	Export by truck ex-Arak	
AC40	Jey Oil	5,000	Bulk	162,000	Export by ship fob Bandar Abbas	
Pen 60/70	Arta Palayesh Kara	1,800	Bulk	147,143	Export by truck ex-Esfahan	
Pen 60/70	Asia Palayesh Aras	2,735	Bulk	147,143	Export by truck ex-Aras	
Pen 60/70	Kana Aray Zarrin Jey	3,398	Bulk	147,143	Export by truck ex-Esfahan	
Pen 60/70	Black Gold	8,000	Bulk & Drum	144,979-159,964	Export by ship fob Bandar Abbas	
Pen 40/50	Hormozan Oil	6,800	Bulk	144,979	Export by ship fob Bandar Abbas	
Pen 60/70	Hormozgan Bitumen	1,000	Drum	169,616	Export by ship fob Bandar Abbas	
AC40	Spadana Bitumen Pasargad	10,000	Bulk	152,471	Export by ship fob Bandar Abbas	
Pen 60/70	Palayesh Iman Rah	1,100	Bulk	145,000	Export by truck ex-Tabriz	
Pen 60/70	Kasra Bitumen Refining	6,720	Bulk	152,471	Export by ship fob Bandar Abbas	
Pen 60/70	Petro Lazak	2,700	Bulk	144,979	Export by truck ex-Esfahan	
PG6422	Shenriz Uromieh	1,500	Bulk	144,979	Export by truck ex-Uromieh	
Pen 60/70	White Gold	20,000	Bulk	155,000	Export by ship fob Bandar Abbas	
Pen 60/70	Shimi Tejarat Naghsh Jahan	2,000	Drum	160,000	Export by truck ex-Esfahan	
Pen 60/70	Asia Palayesh Aras	1,375	Bulk	144,979	Export by truck ex-Tabriz	
Pen 60/70	Petro Sanat Hormozan	1,000	Bulk	169,116	Export by ship fob Bandar Abbas	
Pen 60/70	Arta Palayesh Kara	1,800	Bulk	147,143	Export by truck ex-Tabriz	
Pen 60/70	Rahyar Gostar Novin	2,700	Bulk	144,979	Export by truck ex-Tehran	
Pen 60/70	Azar Davam Yol	1,000	Bulk	144,979	Export by truck ex-Tabriz	
Pen 60/70	Shimi Gostar Sahand	1,000	Bulk	147,143	Export by truck ex-Aras	
Pen 60/70	Bitumen Petro Pasargad	1,000	Bulk	147,143	Export by ship fob Bandar Abbas	
Pen 60/70	Reyouniz Artan	6,000	Bulk	147,143	Export by ship fob Bandar Abbas	
Pen 60/70	Petro Kala Saman	5,000	Bulk	144,979	Export by ship fob Bandar Abbas	

Overall production output dipped. Some state-owned refiners kept bitumen production low in the first half of October, on expectations that logistical flows and the transportation of materials would likely be constrained over the holiday. But production in the northeast and in Shandong regions could tick higher in the coming week, as operating rates begin ramping up.

Given slow economic conditions in China, the government has reduced funding availability for roadwork tenders, which in turn lowered bitumen demand as well. This has caused overall supply levels to be higher relative to demand.

Both south and east China continue to see low buying interest from importers. In fact, some buyers in south China were unable to digest previously committed October-loading cargoes from Singapore at relatively higher pricing and sought the help of traders to redirect these cargoes to other southeast Asian markets instead.

With only 1-2 weeks left before the onset of colder weather, market participants remain bearish on the demand outlook for the rest of the year, with some suggesting that the market will only rebound after first-half February next year once the lunar new year ends.

Taiwan

Bitumen prices in Taiwan were stable-to-higher, with some deals and buy indications at \$480-495/t fob Taiwan. Some buying enquiries emerged from Vietnam, where importers were seeking lower-priced alternatives to Singapore exports.

Market participants say that Typhoon Koinu did not have any impact on loading activities at the major ports, and no significant delays to October-loading cargoes emerged.

Australia & New Zealand

Bitumen consumption continues to be below expectations in the Oceanic countries, despite the onset of milder and more conducive weather for roadworks. There were more buying enquiries from these markets, but still lower overall when compared with the year-earlier period.

Market participants continue to cite a lack of funding availability as the key reason behind slow demand.

Some participants remain slightly hopeful for buying appetite to rebound more significantly during the peak construction period starting in November, although overall consumption levels in the last quarter will likely be lower on the year.

ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

India

Consumption continued to be lacklustre in India as ongoing issues relating to the disbursement of project funds kept road contractors on the sidelines. Even though rains receded in some regions, October demand is not expected to increase in the absence of any respite to the funding issues.

Enquiries for seaborne cargoes were limited because of a supply glut amid low demand, with many importers continuously trying to offload existing volumes at steeper than usual discounts. Some buyers preferred to procure cargoes from other importers or local refiners, as domestic selling prices from both outlets were lower compared with waterborne values.

A \$5-7.5/t drop in seaborne bulk bitumen prices from the Middle East, which were at \$330-335/t on fob basis, did not entice any prospective buyers to secure some cargoes. A similar lull was also seen in the drummed bitumen market. News of any related transaction was slow to emerge.

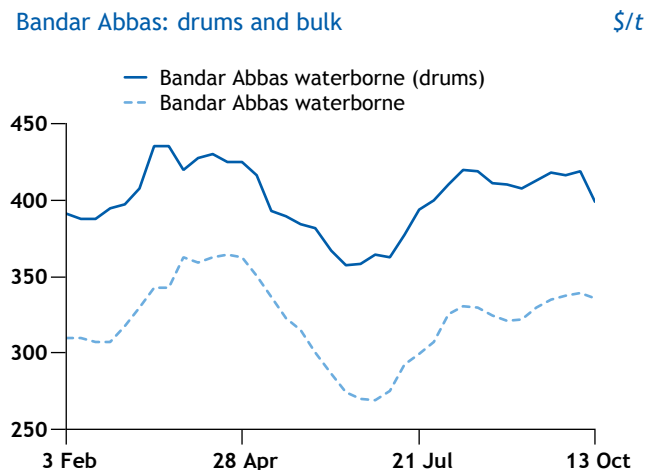
State-controlled refiners will publish listed ex-Mumbai VG10, 30 and 40 bulk and drummed cargo prices for the upcoming fortnight on 16 October.

Bahrain

Seaborne listed prices in Bahrain decreased by \$25/t from the previous week to \$415/t fob Sitra.

But this reduction did not stimulate enquiries for waterborne cargoes, as the current listed prices were still deemed non-competitive compared with offers on fob and ex-refinery basis from other neighbouring Middle East countries, such as Saudi Arabia.

Bandar Abbas: drums and bulk



Iranian Vacuum Bottom prices from NIOC*, 7-12 Oct

Refinery	Volume t	Rials/kg		\$/t	
		Low	High	Low	High
Bandar Abbas	40,000	141,200	141,400	343	343
Esfahan	70,000	130,200	130,300	316	316
Shiraz	10,000	133,700	133,800	325	325
Tehran	18,000	141,200	142,100	343	345
Tabriz	10,000	144,300	144,400	350	351
Abadan	15,000	127,200	127,200	309	309
Arak	10,000	133,100	133,200	323	323

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

Iranian domestic sales through the IME, 7-12 Oct

Grade	Volume t	Price \$/t
60/70	1,350	155,343
85/100	0	
Emulsion	0	
PG6422	2,750	155,343
MC250	200	175,500-233,000

Iran

Iranian bitumen prices dropped thanks to sluggish demand. Vacuum bottom (VB) feed prices came under pressure due to volatile HSFO and crude futures. This, coupled with heightened exchange rate volatility, left some market participants unnerved and limited trades. Most market participants opted to keep to a wait-and-see stance instead.

Market participants continued to use the fixed rials to US dollar Nima exchange rate to settle export trades because of the recently implemented regulations. Many suppliers were not ready to accept relatively lower bids from potential importers and retreated to the sidelines, limiting export transactions.

Most suppliers offered bulk cargoes at \$325-335/t fob Bandar Abbas, meeting bids at around \$320/t fob Bandar Abbas. No deals were transacted.

Truck-delivered bulk prices decreased by around \$10/t this week, with at least 2,000t bulk cargoes headed for Pakistan sold at IR154,000-156,000/kg (\$376/t).

Due to the absence of buyers from south Asia, trading liquidity for drum cargoes dipped. Most suppliers decreased prices by \$5-15/t on the week. Around 5,000t of drum cargoes were sold at \$395-402/t fob for October and November deliveries. Jey embossed prices decreased to \$405-425/t fob this week, but no deals emerged.

Demand for Jumbo bags was also weak and only about 3,000t was sold at \$385-395/t fob Bandar Abbas, down

ASIA-PACIFIC AND MIDDLE EAST MARKET COMMENTARY

by \$15/t from the previous week, with the cargoes likely headed to Asian markets.

Bitumen prices on Iran Mercantile Exchange (IME) also eased. Pasargad Oil sold 10,000t of pen 60/70 bulk at IR169,500/kg (\$411/t) ex-Bandar Abbas, down by about \$7/t on the week. A 3,000t bulk cargo was traded at an IR151,000/kg rate (\$367/t) ex-Arak, while there were not any trades from Tabriz or Bandar Imam Khomeini. Jey Oil sold 5,000t of AC40 in bulk at IR162,000/kg (\$393/t) ex-Bandar Abbas.

Iran domestic market

The Oil Refining Industry Association (ORICA) reduced listed VB feed prices by 7.4pc on 8 October, from the previous fortnight, following a slip in HSFO and crude oil prices. Post trade settlement price of the feedstock was also down on the IME from the previous week, despite relatively higher demand from bitumen producers.

On the IME, refineries supplied 183,000t of VB against demand for 259,000t. VB supply decreased from Bandar Abbas Refinery, which sold 40,000t at an average price of IR141,294/kg.

The Esfahan Refinery supplied 70,000t of VB and sold at IR130,212/kg, down by IR5,300/kg from the previous week. Shiraz Refinery sold 10,000t at IR133,750/kg, lower compared with the previous week. Abadan Refinery sold 15,000t for IR127,200/kg, down by IR10,300/kg from last week, while Arak Refinery sold 10,000t of VB feed at IR133.16/kg, down by IR4,400/kg even though supply was tight from this unit.

Tehran Refinery sold 18,000t of VB at an average price of IR141,615/kg, up by IR1,500/kg from the previous week.

On the IME, 4,300t of bitumen was sold for domestic consumption at IR154,843-230,000/kg (\$375-558/t).

Iraq

Iraqi bitumen prices dropped by about \$15-20/t from last week to \$375-385/t fob, in response to weakness in HSFO and crude futures. Buying interest was weak, with only a few cargoes sold headed to Turkey, India and Africa.

Kurdish sellers sold a few cargoes for \$375-380/t to be delivered prompt by Bandar Abbas. A major producer in north Iraq held back from offering on fob Bandar Abbas basis due to lowered prices, instead opting to sell bulk at \$295/t ex-Suleimanieh to Turkey at a higher margin.

On VG30, a major producer in the south of Iraq sold 4,000t drums at \$385/t fob Basrah, down \$15-20/t from the previous session.

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VESSEL TRACKING INDICATIONS

Bitumen freight movements						
Vessel name	Owner	Tonnage	Loading port	Discharge port	Current position	ETA
Stella Polaris	Tarbit Shipping	8,297	Rotterdam	Eastham, UK	Irish Sea	10-Oct
Bituma	Carnisse BV	4,995	Rotterdam	Szczecin, Poland	Baltic Sea	11-Oct
San Bacco	ABC Maritime	4,995	Brunsbüttel	Sandefjord & Alesund, Norway	North Sea	11-Oct
Bitflower	Tarbit Shipping	6,314	Delfzijl	Skelleftehamn, Sweden	Baltic Sea	10-Oct
Bithav	Cassiopeia	6,384	Rotterdam	Nantes, France	North Atlantic	10-Oct
Bitfjord	ABC Maritime	4,900	Rotterdam	Bayonne, France	North Atlantic	14-Oct
Iver Blessing	Iver Ships BV	6,189	Tarragona	Teesside, UK	North Atlantic	13-Oct
Ping Hai Wan	COSCO S.A.	6,115	Port Jerome	Dublin, Ireland	Irish Sea	13-Oct
My Worry	Sebat Denizcilik Tasimacilik	4,881	Izmit	Constanta, Romania	Black Sea	10-Oct
Asphalt Teranga	Trigent Petroleum	9,230	Agio Theodori	Agadir, Morocco	North Atlantic	11-Oct
Lilstella	Bilsea	7,944	Tarragona	Port Nador & Mohammedia, Morocco	North Atlantic	12-Oct
Asphalt Splendor	Marshall Islands / BV	36,962	US Gulf	Antwerp, Belgium	North Atlantic	16-Oct
T.Adalyn	Tupras	14,786	Izmit	Lavera, France	Med	18-Oct
Iver Best	Iver Ships BV	6,187	Aspropyrgos	Gabes & Sfax, Tunisia	Med	11-Oct
Black Shark	Mediterranea di Navigazione	8,476	Augusta	Arzew & Djen-Djen, Algeria	Med	10-Oct
Poestella	Bilsea	8,021	Augusta	Skikda & Algiers, Algeria	Med	10-Oct
Bitu River	Eres	15,000	Lome (STS)	Luanda, Angola & Cape Town, South Africa	South Atlantic	15-Oct
Bitu Express	Pickett shipping corp	45,974	Lome	Conakry, Guinea	WAF	15-Oct
Asphalt Spirit	Marshall Islands / BV	14,484	Ningbo	Botany Bay, Australia	Japan	25-Oct
Ryoumei Maru	Koyokuyu Shipping	1,226	Yokohama	Otaru, Japan	Japan	13-Oct
Tasco Anan	Tipco Asphalt	3,525	Kemaman	Go Dau, Vietnam	Vietnam	11-Oct
Tasco Bravo	Tipco Asphalt	1,589	Sriracha	Surat Thani, Thailand	Surat Thani	11-Oct
Tasco Sakorn	Retalink	3,619	Singapore	Dong Nai, Vietnam	Vietnam	12-Oct
Zhen Zhu Wan	COSCO S.A.	6,315	Yeosu	Yangpu, China	South Korea	16-Oct
Da Tai Shan	FANGCHENG GANG SOUTHWEST MARITIME LTD	7,843	Singapore	Kwinana, Australia	West Australia	16-Oct
Rostella	Rostella Shipping PTE LTD	7,996	Tanjung Langsat	Brisbane, Australia	Indonesia	22-Oct
Chandrama	National Bitumen Corporation	4,999	Khor Al Zubair	New Mangalore, India	Iran Gulf	15-Oct
Fang Cheng Gang	United Rich Maritime	6,193	Singapore	Xinhui, China	Guangdong Province	11-Oct
Jaya Ocean	Jaya Trade Pte Ltd	5,250	Rayong	Culao, Vietnam	Nha Be	14-Oct
Tasco Amarit	Tipco Asphalt	6,106	Kemaman	Tauranga, New Zealand	New Zealand	12-Oct

NEWS

Road projects, monsoon hit India bitumen use

India's bitumen consumption in September increased from a year earlier, supported by central government-linked national highway projects and maintenance work in some parts of north India. But it was lower compared with the previous month on the back of monsoon-induced weaker demand in other key regions.

Consumption in September totalled 527,000t, up by 45pc from 363,000t during the same time last year, but was down by 5pc from August's 554,000t, according to preliminary data from the oil ministry.

The fall from the previous month was lower than expected by some market participants. While a monsoon-linked lull and prolonged issues around disbursement of project funds by state governments weighed on road paving work in the east, west and central parts of the country, the overall consumption "looks higher because many dealers bought and stocked up [domestic] refinery cargoes, which [listed prices] were relatively cheaper" to seaborne values, a trader said.

Consumption was supported by national highway projects across the nation and monsoon-induced prompt maintenance-related works in some parts of north India, a few other market participants said, especially in Uttar Pradesh state where demand would drop in the short term because of unfavourable winter weather.

"Many states are not performing now but National Highways Authority of India projects in all states are going well," a trader said, adding that these projects mostly buy bitumen from state-controlled refiners because of the continuing quality control measures imposed by the central government. This was also confirmed by an official close to an Indian refinery.

But sluggish demand from state-government linked projects have kept inventories at a higher level in the country, with some importers deferring fresh seaborne purchases to later months, while a few were forced to liquidate bulk and drummed bitumen volumes with steeper than usual discounts. This also pushed some refiners to cut bitumen supplies for October.

FFS Durban terminal to commission in Dec

South African storage firm FFS Refiners expects to commission its new 7,500t capacity bitumen terminal in Durban in December before receiving its first ship to tank cargo in January.

The facility will make it easier for South Africa to absorb burgeoning imports, which at Durban have had to be delivered in ship to truck operations using a gantry system. Importers and local suppliers have at times been unable to accommodate all incoming cargoes moved in bitumen tankers, causing discharge delays and some domestic distress sales of surplus truck volumes.

Bitumen cargo imports have risen dramatically this year because of a lack of domestic production and a buoyant paving season. A current uptick in cargo flows to South Africa, mainly to Durban, will take total imports to the country to around 185,000t by the end of this month, according to Vortexa data, already surpassing the 96,000t imported in 2022. South Africa received no bulk cargo imports in 2019 and 2020, with only around 10,000t imported in 2021.

The current import wave includes the **first bitumen tanker export shipment** from Saudi Aramco's Red Sea terminal at Yanbu in decades.

Bitumen trading and shipping firm Rubis Asphalt holds the contract to use the new FFS bitumen terminal until 2035, while its contractual arrangement with the firm to use FFS' existing 4,800t Cape Town bitumen terminal also runs until 2035.

Project work on FFS' **second phase of terminal investment** in Durban for a total 20,000t of bitumen, base oils and residual fuels capacity is expected to begin in early January 2024, with completion and start of import operations scheduled for the first quarter of 2025.

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No agreements have been concluded yet with firms that would use those facilities to bring in their volumes.

Greek 2023 exports to surpass 1mn t in October

Bitumen exports from Greek export points at Agio Theodori and Aspropyrgos this year are on course to exceed 1mn t before the end of October, having already surpassed full-year exports for 2021 and 2022.

The vast majority of bitumen exported from Greece comes from Agio Theodori and is produced at Greek refiner Motor Oil Hellas' Corinth plant. Bitumen exports from the port have stepped up in recent months, which could be linked to an [upgrade and expansion of one of the refinery's crude units](#) in May-July. The upgrade has increased the refinery's nameplate capacity, with crude imports to the plant [exceeding 205,000 b/d in September compared with 180,000 b/d in August](#).

Greek bitumen has been exported to buyers in the Mediterranean region, northwest Europe, across the Atlantic to the US and South America as well as to Nigeria and South Africa throughout this year.

Ukraine's bitumen imports hit 21-month high

Ukraine imported 20,050t of bitumen in September, almost 500t more than the previous month and the largest monthly volume since December 2021, according to market participants.

Last month's increase coincided with a fall in domestic production. Poland has remained the main supplier of pen 50/70 and 70/100 bitumen to Ukraine this year, exporting 12,550t of product in September, up by 200t from August.

Imports from Polish firm Orlen's 190,000 b/d Mazeikiai refinery in Lithuania also increased in September, up by almost 1,470t on the month to 5,860t, while trucked shipments of Greek pen 50/70 from Romania rebounded to 1,330t from 640t in August. Ukraine also received a small amount of bitumen from Hungary and Bulgaria last month.

Total bitumen imports to Ukraine in the first nine months of this year were 109,700t, up from 26,365t in the same period of 2022. Poland has accounted for 74pc of Ukraine's imports so far this year.

Karlsruhe refinery starts partial turnaround

Germany's 299,000 b/d Karlsruhe refinery has shut down some of its units for scheduled maintenance works until the end of November, according to operator Miro.

Partial turnaround works will begin on 12 October, according to the operator.

The turnaround will mostly impact the availability of gasoline in the south of the country. One of the affected units produces gasoline and other light products while another one raises the octane count of gasoline.

At least one Miro shareholder will limit its product availability on the spot market as a result of the maintenance. Shareholders include Shell, ExxonMobil, Russia's Rosneft and US refiner Philips 66.

The turnaround coincides comes as [problems are ongoing](#) at the nearby 207,000 b/d Bayernoil refinery in Bavaria, and could further impact products availability.

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Burgas to continue Russian crude runs

Lukoil's 115,000 b/d Burgas refinery in Bulgaria can continue processing Russian crude until October 2024, under a law passed on 28 September. But the legislation requires the gradual phase-out of Russian supply.

Around 142,000 b/d of September-loading Urals headed to Bulgaria – 21pc more than in August – and about 3pc of total Russian seaborne crude exports loaded for the country in the first nine months of this year, roughly 105,000 b/d.

Burgas, Bulgaria's sole refinery, was granted a temporary exemption from the EU's ban on Russian crude imports until the end of next year – because of its "specific geographical exposure". The new law brings that date forward by three months – although an initial version of the bill, drafted by a government working group, had outlined a 30-day phase-out of Russian crude supplies.

Lukoil said earlier this month that a one-month time-frame for transitioning to an alternative source of crude for Burgas was unrealistic. "We cannot ensure uninterrupted operations... it is likely that consumers will end up losing out," Lukoil warned on 21 September.

The Russian firm's operations in Bulgaria are under growing pressure. Lukoil's 35-year concession to operate the [Rosenets oil terminal](#) near Burgas was terminated earlier this year and Bulgaria's parliament approved a bill in January that allows the government to take temporary control of the Burgas refinery.

Lukoil faced a similar situation with its former 320,000 b/d Isab refinery on the Italian island of Sicily last year – it was unable to supply the plant with crude and eventually had to sell it in a deal that was finalised in May.

Shipments of bitumen from Baltic ports drop

Shipments of bitumen from Baltic terminals in September decreased to 19,700t, from 24,200t in August, according to shipping agents.

Bitumen production in northern and central Europe remains [volatile](#) after sanctions were introduced on Russian crude.

The average price of bitumen (fob Baltic) in September increased by \$13.50/t compared to the August value and reached \$517/t on 6 October, supported by rising crude and fuel oil values.

Further increases in bitumen prices could dampen demand as government spending on infrastructure in Europe remains constrained, according to market participants.

Tanker shipments of bitumen from the port of Klaipeda in September went to Sweden, Germany and Norway, and from Liepaja to Sweden. The charterers of the tankers were Orlen Lietuva, Oilcore and Ekovalis.

Bitumen production at Orlen Lietuva's 190,000b/d Mazeikiai refinery in the first half of 2023 increased to 235,000t, compared to 77,300t in the same period last year. Part of the reason for the increase was the suspension of bitumen production last year because of maintenance.

Orlen plans to [expand output](#) at Mazeikiai to up to 500-550,000t/yr by the end of 2024, with investments in logistical improvements.

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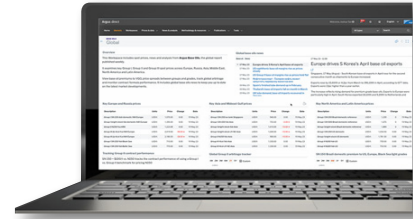


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