

SUMMARY

Bitumen cargo values gained across Europe and Asia-Pacific, boosted by a jump in crude and fuel oil values.

Domestic truck prices across Europe also mostly strengthened as October started.

Cargo premiums to high-sulphur fuel oil (HSFO) in Rotterdam and the Baltics fell by \$2-3/t, but outright values continued to rise, while in the Mediterranean premium values were steady on the week as refiners held their ground amid rising outright values and slowing demand.

The Asia-Pacific bitumen market remained mostly firm, despite the expected slowdown due to the week-long break in China for Golden Week holidays.

The continued buoyancy in crude and HSFO prices in the Asia-Pacific region pushed refiners to either seek price hikes or mull production cuts at their units. Supply for October was seen to be balanced in key export locations like Singapore and South Korea on the back of lower bitumen production at some units.

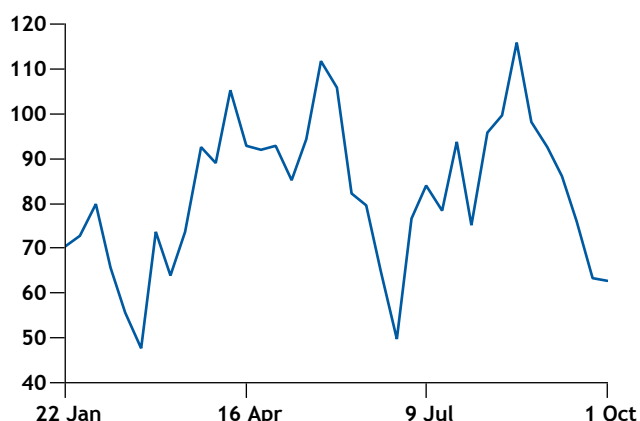
Demand is expected to improve from Vietnam, Australia, China and India in the coming weeks supported by seasonal pick-up or the easing of pandemic-related restrictions.

Bitumen prices shot up across sub-Saharan Africa, with delivered cargo and drummed import prices racing higher, as did domestic and export values for South African volumes.

PRICES

Bitumen prices at key locations, 25 Sep-1 Oct				\$/t
		Low	High	±
Export cargo prices fob				
Mediterranean		448.58	453.58	+20.93
Rotterdam		460.90	465.90	+18.95
Baltic		453.90	457.90	+18.95
Singapore		405	415	+5.00
South Korea		395	405	nc
Mideast Gulf		298	425	+5.50
Delivered cargo prices cfr				
North Africa	Alexandria, bulk	486	496	+18.00
East Africa	Mombasa, drum	465	475	+26.00
West Africa	Lagos, bulk	600	610	+21.00
East China coast		425	475	+2.50
Domestic prices				
Antwerp	ex-works	490	507	+20.50
Southern Germany	ex-works	431	449	+8.50
Hungary	ex-works	443	455	-3.00
Italy	ex-works inc tax	455	466	-3.00
Indonesia	ex-works	444	444	-1.00
Mumbai	bulk	544	594	+17.00

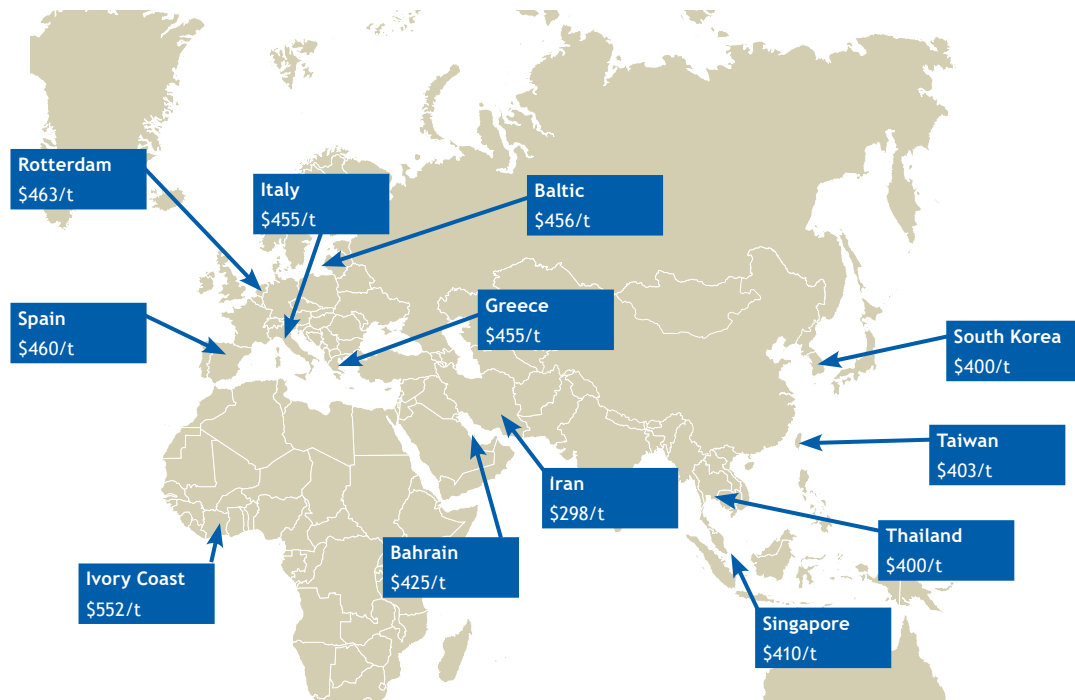
Rotterdam domestic differential to HSFO barges \$/t



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WATERBORNE BITUMEN PRICES, FOB



CARGO FLOWS

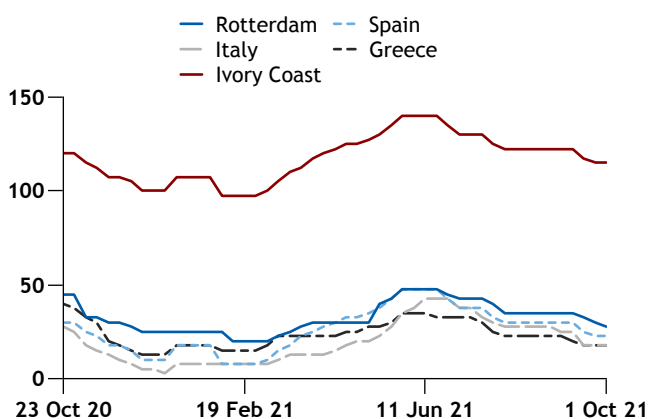
Spanish export cargoes were sent into north African markets as well as western Europe, although activity was generally slowing across the Mediterranean.

The 6,118 dwt *Ning Hai Wan* loaded a cargo from Huelva, Spain, for discharge into Donges, France, on 29 September, while the 5,897 dwt *Iver Accord* loaded a cargo from La Coruna, Spain, for discharge into Blaye, France, by 2 October.

The 6,180 dwt *Iver Balance* loaded a cargo from Cadiz, Spain, for discharge into Oran, Algeria, on 30 September, while the 7,066 dwt *Herbania* loaded a cargo from Huelva for discharge into Ghazaouet, Algeria, by 29 September.

The 6,586 dwt *Iver Bitumen* loaded a cargo from Huelva into Tenerife in the Canary Islands on 1 October.

Waterborne markets, differential to HSFO \$/t



Europe and Africa cargo export differentials to HSFO			\$/t
	Low	High	±
Mediterranean, basis Augusta	+11.33	+16.33	+0.33
Rotterdam, Netherlands	+25.00	+30.00	-2.50
Baltic	+18.00	+22.00	-2.50
Spain	+20.00	+25.00	nc
Italy	+15.00	+20.00	nc
Greece	+15.00	+20.00	nc
Ivory Coast	+113.00	+117.00	nc

Europe and Africa cargo export differentials to crude			
	Differential to Ice Brent \$/t	Differential to Ice Brent \$/bl	±
Mediterranean, basis Augusta	-143.29	-5.82	+0.27
Rotterdam, Netherlands	-130.97	-3.83	-0.05
Baltic	-138.47	-5.04	-0.05
Spain	-134.62	-4.42	+0.22
Italy	-139.62	-5.231	+0.21
Greece	-139.62	-5.23	+0.21
Albania	-169.62	-10.09	+0.22
Ivory Coast	-42.12	10.57	+0.22

Bitumen conversion factor t/bl 6.17

Ice Brent conversion bl/t 7.53

NORTH AND CENTRAL EUROPE MARKET COMMENTARY

Summary

Domestic truck prices strengthened in several markets, many of those gains linked to monthly revisions for October supplies, while cargo prices also jumped.

While German domestic prices were assessed €10/t firmer after some price erosion caused by plentiful supply and high stocks being sold off during September, other key northwest European markets like Benelux, UK and France registered €20/t, £20/t and €20-25/t gains respectively. But not all monthly deals between sellers and buyers had been agreed and confirmed by 1 October, with more details expected from 4 October.

Czech domestic and export prices also strengthened on tight refinery supply, although there was still plentiful availability overall in most central and southeast European markets.

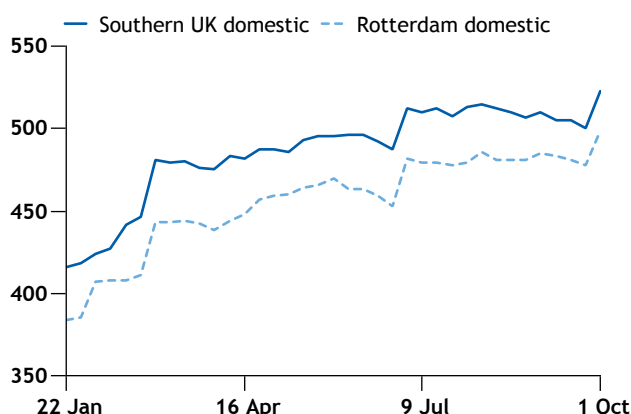
Sharp gains in fob Rotterdam high-sulphur fuel oil (HSFO) prices in the last week of September drove up outright bitumen values, but such gains coupled with early signs of winter and demand slowdown in parts of the Nordic/Scandinavia region encouraged a modest \$2-3/t slippage in Rotterdam and Baltic cargo export premiums to HSFO that were assessed at \$25-30/t and around \$20/t fob respectively.

Cross regional freight rates for standard 5,000t cargoes were yet to be pushed down significantly, but slim assessed declines took Thames-bound rates to \$22-24/t from Rotterdam, \$29-31/t from Hamburg, \$47-49/t from Klaipeda and \$39-43/t from La Coruna.

UK

Domestic truck prices in the UK were assessed £20/t firmer at £380-390/t ex-works and £395-405/t delivered after October monthly price hikes that followed hefty crude and fuel oil gains during September, versus the previous month.

Southern UK domestic and Rotterdam domestic \$/t



North and central Europe bitumen prices, 25 Sep-1 Oct						
	€/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
Southern UK £/t	380	390	+20.00	516	529	+22.50
Rotterdam, Netherlands	420	435	+20.00	490	507	+20.50
Antwerp, Belgium	420	435	+20.00	490	507	+20.50
Northern Germany	385	395	+10.00	449	460	+8.50
Northeast Germany	350	360	+10.00	408	420	+9.00
Southern Germany	370	385	+10.00	431	449	+8.50
Southwest Germany	365	380	+10.00	425	443	+8.50
Western Germany	375	385	+10.00	437	449	+9.00
Hungary	380	390	nc	443	455	-3.00
Romania	410	420	nc	478	490	-3.00
Czech Republic	375	385	+15.00	437	449	+14.50
Export prices, ex-works						
Poland-Germany (truck)	345	355	+5.00	402	414	+3.00
Czech Republic-Germany (truck)	345	355	+5.00	402	414	+3.00
Poland-Romania (truck)	350	360	nc	408	420	-3.00
Hungary-Romania (truck)	390	400	nc	455	466	-3.00
Rotterdam (cargo)				460.90	465.90	+18.95
Baltic (cargo)				453.90	457.90	+18.95
Domestic prices, delivered						
Southern UK £/t	395	405	+20.00	536	550	+22.20
Brussels	430	445	+20.00	501	519	+20.00
Northern France	475	485	+20.00	554	565	+19.50
Central France	475	485	+20.00	554	565	+19.50

Crude and refined products, 25 Sep-1 Oct				
	Low	High	Average	±
Ice Brent minute marker week range \$/bl	78.50	79.60	78.934	+3.12
Fuel oil 3.5S, fob RMG barge \$/t	432.00	439.50	435.900	+21.45
Urals cif Rotterdam \$/bl	75.47	76.75		+3.69
Fuel oil straight-run 0.5% fob cargo \$/t	566.75	584.75		+20.25
Fuel oil straight-run M-100 cif cargo \$/t	472.50	479.00		+24.75
Vacuum gasoil 0.5S cif cargo \$/t	580.25	598.25		+20.13

Northern Europe cargo freight rates			
	Low	High	±
Rotterdam-Thames	22	24	-0.50
Hamburg-Thames	29	31	-0.50
Klaipeda-Thames	47	49	-1.00
La Coruna-Thames	39	43	-1.00

NORTH AND CENTRAL EUROPE MARKET COMMENTARY

The market was also being supported by buoyant levels of construction work and bitumen requirements throughout September, with suppliers also pointing to healthy order books into October and November.

Bitumen availability from domestic refineries and terminals, buoyed by steady cargo import flows, has also been high, keeping the UK bitumen market broadly balanced. Cargoes delivered into Thames terminals jumped in the last week of September to an indicated \$495-500/t (£365-370/t) cfr range.

UK government data showed domestic bitumen consumption at 156,00t in July, down 6,000t on the same month of last year. For the May to July period this year consumption stood at 485,000t, up 59,000t on the same period of 2020. For year-to-date January to July, UK consumption stood at 1.05mn t, against 817,000t last year, after the negative impact on construction activity and demand in 2020 caused by Covid-19 lockdowns, particularly from March to May.

France

French domestic prices rose by €20-25/t, reflecting sharp gains in agreed prices for the new month of October, although not all supply deal values were yet finalised in discussions between buyers and sellers.

Relatively higher product availability in the north and centre, as compared with southern France, kept assessed gains in the former regions to €20/t to reach the €475-485/t delivered range, while €25/t assessed in the south took those values to €445-455/t delivered. The partial maintenance shutdown since early-September at the Petroineos refinery in Lavera on the French Mediterranean coast – expected to last until early November – was a key factor behind hefty October price hikes, with some domestic

suppliers in France seeking monthly price hikes as high as €30-40/t and in one case as much as €60/t.

The return to normal production and supply from Exxon-Mobil's Port-Jerome refinery in Normandy, northern France, was taking longer than anticipated after the plant was hit by a fire in early September. But both cargo and truck buyers pointed to a steady improvement in the supply position and an anticipated return to normal flows after 4 October.

Benelux

Domestic truck prices in Benelux markets were assessed €20/t firmer at \$420-435/t ex-works, after October price hikes following crude and fuel oil gains during September.

While some monthly deals appeared to have been completed, especially in the Netherlands, with price hikes of around €20/t for October supplies versus September values, some talks, especially in Belgium, were expected to take a few more days, with some supplier hikes of up to €40/t being sought in ongoing negotiations in a bid to make up for some of the large gains in crude and HSFO prices during September, pushing up refinery feedstock costs along with a weakening euro versus dollar.

Local market participants pointed to normal activity levels for the time of year, with some expecting October to be the busiest month of the year.

Germany

Modest price gains were registered on the domestic truck market, effective from 1 October, after intra-month declines during September when high stocks held by some refinery and terminal locations were being sold off.

Domestic demand has also remained below expectations for the season, underlined by fresh German Bafa data that showed bitumen deliveries domestically were 211,102t for July this year, down 17,000t on the same month of 2020. For the year until July deliveries for Germany domestic consumption were 1.02mn t, compared to 1.07mn t in 2020, a drop of 4.4pc.

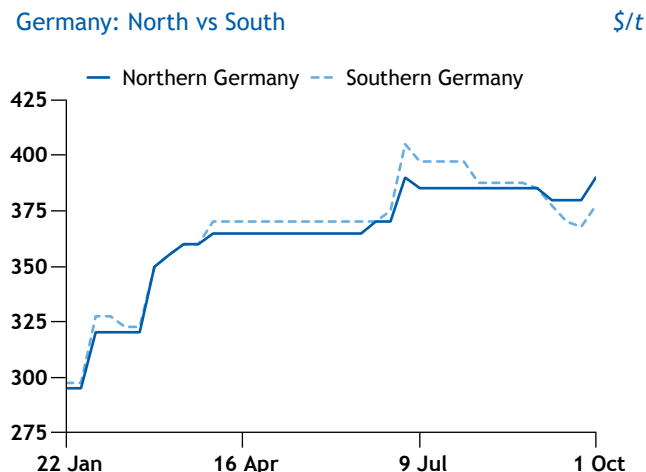
Total refinery production of bitumen was 451,969t in July, up by 82,359t on the same month of 2020. For the year until July production stood at 2.19mn t, compared to 1.99mn t last year, an increase of 10.2pc.

Domestic prices were assessed €10/t up at €385-395/t ex-works in the north, €350-360/t ex-works in the northeast and €365-380/t ex-works in the southwest.

Poland/Czech Republic

Polish demand was significant in the last week of September

Germany: North vs South



NORTH AND CENTRAL EUROPE MARKET COMMENTARY

thanks to better weather encouraging more construction work, while market participants pointed to higher prices from refiners in the country with ex-works prices rising for October supplies as a result of crude gains.

Some market participants also pointed to the potential for further price increases in Poland through October as supply from Lotos' Gdansk refinery was expected to be reduced.

Domestic prices in Poland were indicated as high as €385/t ex-works, rising sharply by €15-20/t, while Polish bitumen truck exports to Germany were assessed up €5/t at €345-355/t ex-works.

Czech exports to Germany were also assessed up €5/t at €345-355/t ex-works, while Czech domestic prices were assessed €15/t firmer at €375-385/t ex-works amid limited availability of some supplies from PKN Orlen subsidiary Unipetrol's Litvinov refinery, notably of pen 160/220.

Polish truck exports to Ukraine were indicated at around €360/t ex-works, with some offers from Germany into Poland indicated at around €350-360/t ex-works.

Hungary/Romania/Balkans

Regional domestic and export prices were assessed unchanged, but market participants expected a steady rise in demand as well as a hike in some prices, including in Romania, related to crude and fuel oil gains through the rest of the month.

Romanian domestic were still assessed at €410-420/t ex-works, while imports from Poland, which market participants said were uncompetitive with local Romanian supplies, were also unchanged at €350-360/t ex-works. More bitumen truck loads were sold by a Greek firm to a Romanian importer in the week ending 1 October as importers in the

country gear up for the expected rise in demand following the release of some funds to constructors, with a ramp up in demand expected by the end of October to last through until year end depending on weather conditions in the country.

Vitol's local arm completed an expansion to around 7,000t capacity – from its previous 4,000t – at its Galati import terminal.

Hungarian domestic truck prices were assessed unchanged at €380-390/t ex-works, while Hungarian exports to Romania were assessed unchanged at €390-400/t ex-works Szazhalombatta. Some exports from Mol's Szazhalombatta refinery were indicated as low as €340-345/t ex-works into the Polish market.

Rompetrol's Vega refinery in Ploiesti, Romania, was expected to ramp up bitumen production following the restart of the Midia refinery at Navodari around 20 September. The restart will lead to the resumption of feedstock flows to Ploiesti. The 4,999 dwt *Sunpower* loaded a cargo from Aspropyrgos, Greece, for discharge into Mangalia on Romania's Black Sea coast.

Baltics

Demand in Latvia was strong with constructors working on projects in the run up to winter, with bitumen consumption at healthy levels in the country, according to market participants, while Lithuanian demand was also steady with a good rate of bitumen demand.

In Finland however, demand was slowly unwinding with the onset of snowfall in the north of the country, with importers looking to future supplies for storage over the winter.

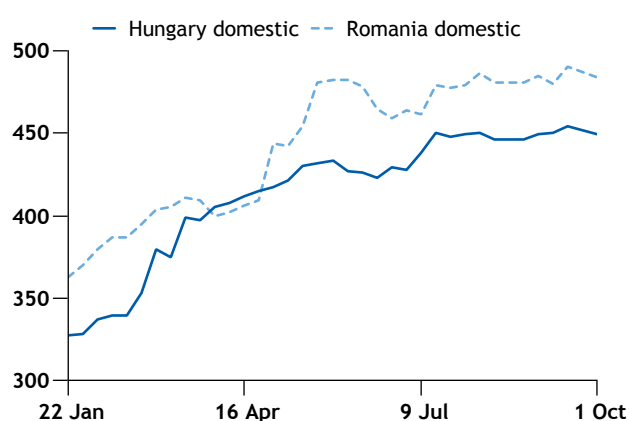
Fob Baltic cargo premiums to fob Rotterdam HSFO barges were assessed \$2-3/t down at around \$20/t to reflect signs of a slowdown in regional cargo demand.

Posted prices from Orlen's Mazeikiai refinery were up €10/t, with pen 50/70 and 70/100 at €3980/t ex-works and pen 100/150 and 160/220 at €405/t ex-works.

The 4,999 dwt *Seapower* loaded a cargo from St Petersburg for discharge into Tallinn on 1 October, while the 6,065 dwt *Acacia Rubra* moved a cargo from Lomonosov to Pori, arriving 30 September. The 4,972 dwt *Bitonia*, its name changed from the *Alcedo* that was delivered to Sweden-based TSA Tanker Shipping in June after the firm purchased it, moved a cargo from Hamburg to Akureyi, Iceland.

Hungary and Romania domestic

\$/t



MEDITERRANEAN MARKET COMMENTARY

Summary

Mediterranean bitumen cargo prices ended September with sharp gains as high-sulphur fuel oil (HSFO) prices rose substantially, while bitumen cargo premiums stabilised after declining for much of the month.

Spanish export premiums to HSFO were assessed unchanged at \$20-25/t fob, Greek fob cargo premiums were assessed unchanged at \$15-20/t, with most Turkish export flows indicated in the same range, while Italian fob cargo premiums were also assessed unchanged at \$15-20/t. The impact of a lack of westbound transatlantic arbitrage opportunities, as well as a general demand slowdown within the Mediterranean basin was leading to greater availabilities across the region.

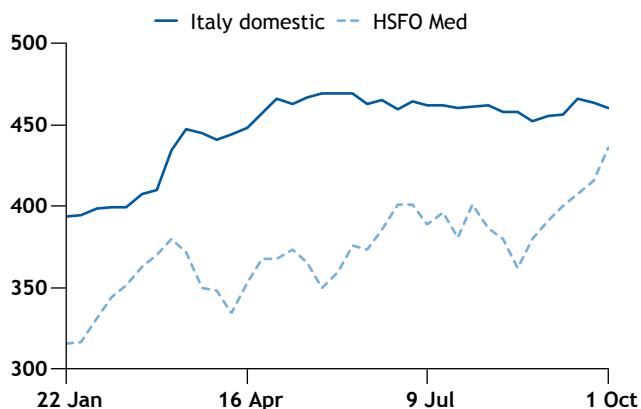
Delivered values into key north African markets were falling, with some delivered premium offers in the low \$50's/t into Algerian terminals in October, although most indications into Algeria and Morocco were still in the high \$50s/t, while delivered Egyptian values for end-October were also in the same high \$50s/t to HSFO delivered area.

The gains in Mediterranean outright values made it yet more unprofitable to move spot arbitrage cargoes to the US east, with Spanish fob levels surging to around \$460/t fob during the last week of September, higher than cif US east coast cargoes that were trading around \$450/t.

Egyptian state-refiner EGPC awarded a further 5,000-6,000t cargo to trading firm BGN at a \$57/t delivered premium, basis Alexandria, for end-October delivery, additional to the firm's original four-cargo tender awarded to Puma Energy and 3B Trading.

Cross-Mediterranean freight rates were assessed \$1-2/t down on shorter routes and \$2-3/t on the longer routes amid clear signs of reduced demand for cargoes as well as tankers to move them. That has led to indications, as the

Italy domestic and Mediterranean HSFO fob cargoes \$/t



Mediterranean price index		\$/t		
	Low	High	±	
Mediterranean fob (Augusta)	448.58	453.58	+20.93	
Differential to HSFO	+11.33	+16.33	+0.33	

Mediterranean bitumen prices, 25 Sep-1 Oct						
	Local currency/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
Italy, including tax	390	400	nc	455	466	-3.00
Southern France (delivered)	445	455	+25.00	519	530	+25.50
Northeast Spain	455	465	nc	530	542	-4.00
Southwest Spain	455	465	nc	530	542	-4.00
Izmit, Turkey	4,718	4,718	+313.00	532	532	+24.00
Izmir, Turkey	4,718	4,718	+313.00	532	532	+24.00
Batman, Turkey	4,762	4,762	+314.00	537	537	+24.00
Kirikkale, Turkey	4,762	4,762	+314.00	537	537	+24.00
Export prices, fob \$/t	Differential to HSFO					
Italy	+15.00	+20.00	nc	452.25	457.25	+20.60
Greece	+15.00	+20.00	nc	452.25	457.25	+20.60
Spain	+20.00	+25.00	nc	457.25	462.25	+20.60
Albania	-15.00	-10.00	nc	422.25	427.25	+20.60
Delivered cargo prices, cfr						
Alexandria, Egypt				486	496	+18.00
Gebze-Mersin, Turkey				480	490	+19.00
Ghazaouet, Algeria				481	491	+19.00
Rades, Tunisia				479	489	+19.00
Economics				Mid		±
Bitumen's value as a fuel oil blendstock \$/t				395.473		+18.57

Crude and refined products, 25 Sep-1 Oct				
	Low	High	Average	±
Fuel oil 3.5% 0.998 fob	434.00	440.25	437.250	+20.60
Basrah Light fob Sidi Kerir	75.32	76.40		+3.62
Urals Med Aframax	76.12	77.20		+3.62
Iran Heavy fob Sidi Kerir	71.75	72.83		+3.62
VGO 0.5% west Med cif \$/t	583.75	598.25		+23.63

Mediterranean cargo freight rates				\$/t
	Low	High	±	
Augusta-Mohammedia	44	47	-2.50	
Tarragona-Mohammedia	31	33	-1.50	
Augusta-Alexandria	41	44	-2.50	
Augusta-Tunis-Rades	24	26	-1.50	
Livorno-Tunis-Rades	28	30	-1.50	
Tarragona-Gazaouet	25	27	-1.50	
Aspropyrgos-Corinth-Agio Theodori-Gebze-Mersin	29	31	-1.50	
Aspropyrgos-Corinth-Agio Theodori-Alexandria	35	37	-2.50	

MEDITERRANEAN MARKET COMMENTARY

market enters its usual fourth quarter slowdown period, that a number of tankers are to become open for spot business from around 5 October onwards. While vessel waiting and discharge lengthy delays at Alexandria, Egypt, mean some tankers are being occupied for longer periods, with Ukraine port delays anyway a feature of the shipping market this year, the bearish Mediterranean shipping picture is expected to cause mounting downward pressures on rates for standard 5,000t movements.

The Augusta-Mohammedia route was assessed \$2-3/t down at \$44-47/t, with Augusta-Alexandria and Greece-Alexandria routes also assessed \$2-3/t weaker at \$41-44/t and \$35-37/t respectively. On the region's shorter routes, \$1-2/t assessed declines took values to \$31-33/t for Tarragona-Mohammedia, \$24-26/t for Augusta-Tunisia, \$28-30/t for Livorno-Tunisia, \$25-27/t for Tarragona-Ghazaouet and \$29-31/t on Greek ports to Gebze/Mersin, Turkey.

Algeria/Morocco

Delivered cargo values into north African markets were falling with indications from market participants for October delivered cargoes ranging from the low to the high \$50s/t into Algeria and Morocco.

Market participants estimated Algerian bitumen consumption to have been around 65,000t in September, while they expected a slight increase in bitumen demand for

October to 70,000t, as constructors were able to resume work on a greater number of projects after the release of some funds after a period over the past two months when such government disbursements had been well below market expectations. Local suppliers are now looking ahead to what they expect to be a fairly busy fourth quarter.

Output from Sonatrach's Arzew refinery was around 400t/day, while some bitutainer volumes were sent from Arzew to Nouakchott, Mauritania, as well as by truck from southern Algerian depots to Niger. The firm is expected to substantially boost its overall bitutainer fleet to around 100 by the end of October to enable it to expand its regional export business.

Several cargoes were heading into Algerian ports after a slowdown in the rate of imports in September. The 6,180 dwt *Iver Balance* loaded a cargo from Cadiz, Spain, for discharge into Oran on 30 September, while the 8,021 dwt *Poestella* loaded a cargo from Augusta, Sicily, for discharge into Algiers by 2 October.

The 5,895 dwt *The Deputy* loaded a cargo from Cadiz, Spain, for discharge into Mohammedia by 28 October, while a cargo was expected to be loaded at Port-Jerome, northern France, in the first 10 days of October for delivery into Djen Djen.

Egypt

Egyptian state-owned EGPC awarded an additional cargo to its original four-cargo award, with the fifth 5,000-6,000t cargo awarded to trading firm BGN at a \$57/t delivered premium to fob Mediterranean HSFO cargoes, basis Alexandria.

The original tender for four 5,000-6,000t cargoes of pen 60/70 bitumen for mid to late October delivery into its Alexandria terminal saw two cargoes each awarded to Puma Energy and BB Energy unit 3B Trading, at values between \$57-58/t to HSFO delivered premiums.

The 5,765 dwt *Iver Agile* loaded a cargo from Mersin, Turkey, for 2 October delivery into Alexandria where lengthy discharge delays have emerged over the past few weeks.

Spain

Spanish fob cargo premiums to fob Mediterranean HSFO cargoes were assessed unchanged at \$20-25/t, while outright values were up sharply.

Demand for US east coast cargoes remained weak going into October with cif US east coast values steady around \$450/t from US east, lower than fob Spain outright price indications of around \$460/t in late-September, keeping the westbound arbitrage unprofitable.

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Petroleum
illuminating the markets

MEDITERRANEAN MARKET COMMENTARY

Spanish domestic demand remained steady with domestic truck prices assessed unchanged at €455-465/t ex-works on 1 October with no confirmation yet from sellers or buyers of finalised monthly prices for October volumes.

The 6,586 dwt *Iver Bitumen* loaded a cargo from Huelva for discharge into Tenerife, Canary Islands, arriving 1 October, while the 7,066 dwt *Herbania* loaded a cargo from Huelva for discharge into Ghazaouet, Algeria, on 29 September.

The 6,118 dwt *Ning Hai Wan* loaded a cargo from Huelva for discharge into Donges, France, on 29 September.

Italy

Fob cargo premiums to Mediterranean HSFO prices from Italian export terminals were assessed unchanged at \$15-20/t with greater availability being indicated by some market participants as regional demand begins to slow down.

Italian domestic demand remained buoyant, but prices were unchanged going into October, with market participants anticipating activity and demand to remain steady at strong levels during much of the fourth quarter.

Strong gains in fuel oil and crude values have been the main driver of upward revisions of domestic Italian values, with some market participants anticipating renewed bitumen truck price hikes during October as refiners aim to keep pace with rising crude oil prices.

Domestic truck prices were assessed unchanged in the week ending 1 October at €390-400/t ex-works, including the €31/t domestic duty on sales of road paving penetration grades, while truck export prices into southern France as well as Switzerland were indicated around €365-375/t ex-works.

The 6,165 dwt *An Hai Wan* loaded a cargo from Tarra-gona, Spain, for discharge into Naples, while the 5,897 dwt *Iver Action* loaded a cargo from Augusta for discharge into the southern French port of Lavera by 2 October.

Greece

Greek export cargo premiums to fob Mediterranean HSFO cargoes were assessed unchanged at \$15-20/t fob, with market participants indicating offers within that range for prompt loadings.

Demand for Greek loading spot cargoes was however thin amid a general downturn in Mediterranean demand heading into the fourth quarter, while refiners were highly reluctant to allow their spot cargoes to be sold at markedly lower values than those agreed under their annual contractual deals for 2021 supplies.

Domestic Greek truck prices gained significant ground, rising €24/t, with ex-works offers from Hellenic Petroleum's Aspropyrgos and Thessaloniki refineries at €424/t and €426/t ex-works respectively, while truck sales from Motor Oil Hellas' Agio Theodori refinery were indicated at €424/t ex-works. Trucks continued to be sent into the Romanian market, with a Greek firm sending a further 30 trucks into the country from its storage tanks at Thessaloniki in anticipation of pick up in Romania activity and demand by the end of October as money begins to reach more constructors in a rush to complete road projects before winter.

The 4,999 dwt *Sunpower* loaded a cargo from Aspropyrgos for discharge into Mangalia on Romania's Black Sea coast. The 37,000 dwt *Asphalt Synergy* loaded a cargo on 22 September from Agio Theodori and was located near Gibraltar on 1 October, with no end destination as yet clear for its cargo. The 6,065 dwt *Fuji Lava* was loading a cargo from Aspropyrgos on 30 September, having previously discharged a cargo into Nikolaev, Ukraine.

Turkey

Domestic prices in Turkey continued their recent run of strength with posted prices at Tüpraş' refineries surging TL313-314/t to TL4,718/t ex-works Izmit and Izmir refineries and to TL4,762/t ex-works Batman and Kirikkale refineries, with those values effective from 28 September.

The rise in prices is in part a result of higher crude values and a weakening Turkish Lira, but market participants also noted a slowdown in imports from Iraqi Kurdistan and other Iraqi export points, with production lower in part linked to rising vacuum residue feedstock costs and specification issues on some bitumen grades.

Domestic Turkish demand was also picking up pace in a final rush to complete works by constructors before the usual winter halt in activity from December.

A second cargo from the Mideast Gulf is expected in the coming weeks into the Toros Gubre terminal at Ceyhan, with as yet no clear indication of which tanker is to make that journey or any firm shipment dates.

SUB-SAHARAN AFRICA MARKET COMMENTARY

Summary

Bitumen prices shot up across sub-Saharan Africa, with delivered cargo and drummed import prices racing higher, as did domestic and export values for South African volumes.

The demand picture was fairly buoyant in several southern and east African markets, while the rainy season was still keeping a lid on west African activity rates.

West Africa

Cargo prices for delivery into regional import terminals surged as a renewed spike in crude and high-sulphur fuel oil (HSFO) prices drove up outright bitumen values.

Spanish and Ivory Coast cargo premiums to fob Mediterranean HSFO cargoes were assessed unchanged at \$20-25/t and around \$115/t fob respectively after recent declines and amid marked reluctance amongst major European refinery suppliers to export product at yet lower premiums than under their existing contractual arrangements for 2021 sales.

Freight rate assessments for standard 5,000t spot cargo movements from Spanish to Nigerian ports stayed in the \$150-160/t range, but mounting downward pressures on cross-Mediterranean rates could exert similar pressure on west Africa-bound and intra-regional freight rates over the coming weeks.

West African construction activity and bitumen demand levels remained subdued as rainy season conditions saw no sign of letting up. The greatest concentration of rainfall affecting the southern and western parts of the region, principally Nigeria, Cameroon, Ivory Coast and Ghana.

The 45,974 dwt *Bitu Express* arrived at the 36,000t capacity Rubis deep-water terminal at Lome, Togo, on 26 September with a large cargo loaded at the Agio Theodori terminal in Greece. The volume helped bolster regional

Sub-Saharan Africa bitumen prices, 25 Sep-1 Oct

	Local currency/t			\$/t		
	Low	High	±	Low	High	±
Domestic prices, ex-works						
South Africa	9,200	9,600	+750.00	611	637	+39.00
Import/export prices						
\$/t						
Ivory Coast, fob Abidjan (export, cargo)				550.25	554.25	+20.60
Nigeria, cfr Lagos (import cargo)				600	610	+21.00
Ghana, cfr Takoradi-Tema (import, cargo)				576	586	+21.00
Kenya, cfr Mombasa (import, drums)				465	475	+26.00
Tanzania, cfr Dar es Salaam (import, drums)				470	480	+26.00
Freight rates						
\$/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	+10.00
Bandar Abbas-Jebel Ali-Dar es Salaam (drums)				100	105	+10.00
Bandar Abbas-Jebel Ali-Djibouti (drums)				185	190	+10.00

Mideast Gulf to Africa freight rates

	\$/t		
	Low	High	±
Bandar Abbas/Jebel Ali-Mombasa (drums)	95	100	+10.00
Bandar Abbas/Jebel Ali-Dar es Salaam (drums)	100	105	+10.00
Bandar Abbas/Jebel Ali-Djibouti (drums)	185	190	+10.00

stocks in readiness for the end of the rainy season and the resumption of dry season road project requirements, expected in Nigeria to begin from the end of October.

The final destination of the tanker's sister ship – the 45,986 dwt *Bitu Atlantic* – was so far undisclosed after it loaded at the Tarragona export terminal in Spain and headed west to pass Gibraltar on 1 October. The destination could be either the US or west Africa.

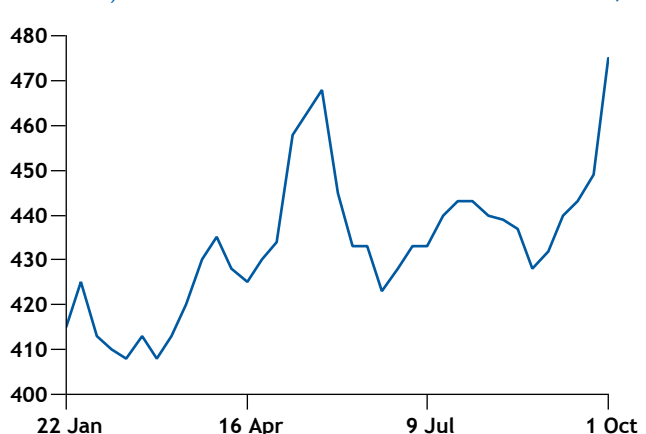
The 9,776 dwt *Viveka* returned to the Lome terminal after making a two-port shipment from the Togolese location into Cape Town and Durban, South Africa.

Mauritania/Mali/Niger

International container shipping rates showed no sign of easing after recent hefty gains, but Algerian firm Naftal, Sonatrach's marketing and supply unit, was at end of September loading a second 300t bitutainer consignment at its Arzew bitumen plant and terminal for shipment to Nouakchott, Mauritania.

The Algerian firm had in July won a tender to supply 10,000t of bitumen to Mauritania, as well as another 3,000t to Mali. While security fears in Mali mean no near term pros-

Tanzania, cfr Dar es Salaam drums



SUB-SAHARAN AFRICA MARKET COMMENTARY

pect of any deliveries into that market, Naftal had sent its first 300t bitutainer volume to Nouakchott for the Mauritanian market in late-August, also from Arzew. Naftal, which is in the process of expanding its fleet of bitutainers build by an Algerian firm, has also been supplying small-scale bitutainer volumes into Niger from its depots in southern Algeria.

Nigeria

Nigerian bitumen stocks remained at high levels after a number of cargo deliveries into its terminals during September at a time of weak demand amid continued and intensive rainy season conditions.

The latest data released by the country's Petroleum Products Pricing Regulatory Agency (PPPRA) showed stocks of the product stood on 30 September at 31,106,384 litres (31,707t), down slightly from a peak of 31,906,036 litres (32,523t) on 22 September but still 26pc up from the 1 September level of 24,729,625 litres (25,208t).

The 5,076 dwt *Jane Asphalt* arrived at the Abidjan terminal in Ivory Coast to load its next cargo for delivery into Gradient Energy's Warri terminal in Nigeria's Delta State. All previous cargo shipments on board the tanker into the Gradient terminal during 2021 have been made from Spanish export terminals at Huelva, Tarragona and Cadiz, as well as one February cargo movement from Augusta, Sicily.

The 11,406 dwt *Biskra* was still located off Port Harcourt on 29 September, having arrived there on 23 September with the second of its two-port discharges, the first having been into Sapele.

Ghana/Ivory Coast/Cameroon

The prospect of an alternative Ghanaian bulk bitumen importer was pushed back by a few months as local firm GOIL

delayed its 6,00t bitumen terminal project in the Tema port area.

The \$35mn project in a joint venture with Ivory Coast bitumen producer SMB, also includes a 30t/hour capacity styrene-butadiene-styrene (SBS) polymer-modified bitumen (PMB) plant as well as a 60t/hr emulsions unit. The project had been slated for end-September completion, but is now being targeted to be ready at the end of this year (see news).

Virtually all of Ghana's bulk cargo imports are currently made into its Takoradi terminal, mainly from SMB's Abidjan refinery and terminal complex, with Shell and Total receiving those volumes of AC-10 and AC-20 and selling them to local truck buyers.

The 4,900 dwt SMB time-chartered *San Biagio* moved a cargo from the firm's Abidjan refinery and terminal complex to Douala, Cameroon, arriving there on 29 September. Armed guards on board was indicated by vessel tracking services, underlining the continued security risks associated with shipping movements in the Gulf of Guinea.

East Africa

Regional import prices for both drummed and bulk bitumen imports from the Mideast Gulf maintained their upward momentum amid gains in both fob and delivered prices.

The sharpest gains affected the Iranian drummed export trade to east African ports, with Iranian exports assessed \$16/t up at \$365-380/t fob Bandar Abbas, while freight rates from Bandar Abbas to Mombasa, Kenya, and Dar es Salaam, Tanzania, were assessed \$10/t up at \$95-100/t amid relentless gains in container shipping costs caused by global shortage in that sector.

Market participants reported price indications into Kenya at values anywhere from \$460/t up to the \$475-485/t cfr Mombasa range for direct shipments from Bandar Abbas and as high as \$650-660/t for indirect flows via Jebel Ali.

Regional suppliers said Iranian state-owned IRISL and its HDS affiliate had raised direct shipping rates from Bandar Abbas to Mombasa and Dar es Salaam to \$1,850-1,950 per container (\$90-100/t), while some east Africa bound movements made indirectly by international container shipping lines were indicated as high as \$5,000 per container (\$250/t).

Market participants named several such lines that were offering little or no services on Mideast Gulf to east and other sub-Saharan Africa routes.

Assessed freight rates from Bandar Abbas to Djibouti were also \$10/t firmer at \$185-190/t given that the route can

West Africa cargo cfr- Med HSFO fob cargoes

