

Iran Eyes Petrochemical Deal With Total



TEHRAN (Shana) – Iran is about to sign a major petrochemical deal with the French Energy Major, Total S.A, soon, the managing director of Persian Gulf Petrochemical

Industries Company (PGPIC) has said.

According to NIPNA, Adel Nejdassalim said the deal will be signed with the Total for holding

feasibility studies on formation of petrochemical joint ventures in Iran.

Speaking on attraction of fresh investments in Iran's petrochemical

industry, the PGPIC CEO added that investments in the sector cannot be merely procured by Iran's state or private sectors and foreign resources must be tapped in this regard.

He said PGPIC is in talks with two major European companies for investing over €8b in petrochemical projects in Iran.

"One of the investments will be made by France's Total," he said.

Nejdassalim further added that his company will soon conclude a deal with the French major.

He also noted that the Pars Special Economic Energy Zone in Asalouyeh and the Parsian Special Economic Energy Zone in Bushehr province are being studied by domestic experts for constructing petrochemical projects jointly with Total.

Total has reached a preliminary agreement to build three petrochemical plants, with a total capacity of 2.2 million tons in a deal that, if finalized, could see the French oil major investing up to \$2 billion in Iran.

Top European Banks to Establish Brokerage Ties With Iran



TEHRAN (Dispatches) – Managing Director of Export Development Bank of Iran Ali Salehabadi has said top European banks are maintaining banking relations with their Iranian counterparts in the post-JCPOA era.

"At the beginning of post-JCPOA era, only small and medium-sized European banks established ties with Iran but now big banks are also after maintaining relations with their Iranian counterparts," Ali Salehabadi said.

He pointed to Belgium's KBC Bank - private banking company - and Austrian Oberbank as examples of the pioneers to this end.

Export Development Bank of Iran

has so far established brokerage relations with 124 foreign banks, Salehabadi added.

Improving brokerage banking ties are one the most important measures taken by Iran's government after the nuclear deal with P5+1.

One of the JCPOA achievements was removing all regulations that obliged non-American banks to sever brokerage ties with Iranian banks.

Bank Melli Iran, Keshavarzi Bank, Bank of Industry and Mine, Export Development Bank of Iran, Bank Mellat, Tejarat Bank and Bank Maskan have established brokerage ties with foreign banks in post-JCPOA era.

Fisheries Exports Up 60%

TEHRAN (Dispatches) - Iran has increased exports of its fisheries products considerably in recent months, a senior official announced.

"The exports of Iranian fisheries products have increased by 60 percent over the past four months," head of Iran Fisheries Organization Hassan Salehi said.

Salehi reiterated that Iran

exported \$412 million worth of fisheries products to various countries in the said period.

"We also saw a decline in the import of marine products by 30 percent," the official added.

He said Iran has about one percent of the world's population while the country produces over 1.90 million tons of aquatic and fish species in the country.

Dollar Recovery Pushes Gold Down From One-Year High

LONDON (Reuters) - Gold prices fell on Monday from the previous session's 13-month high as relief that North Korea did not conduct a missile test over the weekend helped to lift global stocks, the U.S. dollar and bond yields.

Demand for safer assets, including gold, also weakened after storm Irma wreaked less damage than feared in Florida.

Spot gold was down 0.9 percent at \$1,334.86 an ounce by 1353 GMT, on track for its biggest one-day drop since July 7. On Friday it touched \$1,357.54, the highest since August last year.

U.S. gold futures for December delivery were down 0.9 percent at \$1,339.20.

Gold had been lifted last week by fears of a North Korean missile launch and the impact of Irma on the U.S. economy, helping to drive the dollar to its weakest since January 2015 and U.S. bond yields to 10-month lows.

"Both of these events failed to materialize in a major way," said Saxo Bank analyst Ole Hansen. "The short-term stage has been set for some consolidation (in gold prices). Much depends on where the dollar and bonds decide to go."

A stronger dollar makes gold more expensive for holders of other currencies, potentially reducing demand, while higher bond yields increase the opportunity cost of non-yielding bullion.

Uncertainty over North Korea is likely to keep demand for gold high, preventing significant price

falls, Commerzbank analysts said in a note.

North Korea on Monday warned the United States that it would pay a "due price" for efforts to impose fresh sanctions on Pyongyang.

Technical support for gold was \$1,325-\$1,330, said MKS PAMP trader Sam Laughlin.

Meanwhile, speculative investment in gold increased as hedge funds and money managers raised their net long position in COMEX gold for the eighth week in a row to the highest in nearly a year.

"The net long is getting close to elevated levels," said Hansen. "The long to short ratio is above 20. We haven't seen that for nearly five years."

Large speculative positioning raises the likelihood of big price swings if investors rush to exit positions when prices change direction.

In other precious metals, silver fell 0.4 percent to \$17.86 an ounce, down from Friday's five-month high of \$18.21, while platinum was down 0.8 percent at \$996.49.

Palladium was 0.6 percent higher at \$939.80 an ounce.

Analysts at Commerzbank said the metal used by the auto industry in emissions-controlling catalytic converters was benefiting from strong Chinese car sales data but that sales there are likely to weaken.

Gold bullion is displayed at Hatton Garden Metals precious metal dealers in London, Britain July 21, 2015.

Iranian Oil Flows Gain Further Ground in China, Europe

LONDON (Platts.com) - Iran's crude and condensate exports rose slightly in August as lower deliveries from key competitors like Saudi Arabia and Iraq meant there was more demand for crude from some of Iran's main buyers.

Total estimated export volume on Aframax, Suezmaxes and VLCCs from Iranian ports in August rose almost 2.5% to 2.42 million b/d from 2.37 million b/d in July, according to data from Platts trade flow software cFlow.

Exports to Asia fell to 1.46 million b/d in August from 1.55 million b/d in July, with demand from key customer India down sharply, although flows to China continued to rise.

Europe's share of Iranian exports grew sharply, with demand from Italy, France, the Netherlands and Greece all up, while Turkey remained a key buyer too.

Sources and analysts noted that Iranian oil exports last month rose as demand for its crude, especially in China and Europe, climbed, supported by favorable economics.

Moves by Saudi Arabia and Iraq to further reduce their exports in August, both to meet domestic demand and also as part of OPEC's coordinated output cuts, bode well for Iran.

The reductions have created a gap for Iran to fill, while state-owned NIOC has also reduced prices for some of its heavy crude grades, making them more economically viable for refiners and pushing up spot demand.

S&P Global Platts is exclusively publishing weekly oil inventory data for the Fujairah Oil Industry Zone, including an aggregate breakdown of heavy distillates and residues, middle distillates, and light distillates. The data is now freely available to access via the Platts Fujairah data platform

Sources added that Iran's additional exports came from its onshore storage, not necessarily only from additional production.

Exports to Iran's largest customer, China, were up slightly to 693,419 b/d in August from 638,322 b/d, the highest volume Iran has exported to China this year, according to Platts data.

Chinese consumption has increased this summer on healthy spot demand, buoyed by growing interest from both Chinese state-owned and independent refiners. Chinese companies have seen cuts in their term contract volumes from Saudi Aramco in the past few months, pushing up demand for Iranian crude, which is of a similar quality.

At the same time, Indian demand for Iranian crude has slowed this summer, particularly from state-owned refiners, after the two countries faced a standoff over the development of Iran's Farzad B gas field.

Exports to India fell by 167,258 b/d month on month to 264,742 b/d in August. The key buyers of Iranian crude in India were again Essar Oil and Mangalore Refinery and Petrochemicals Limited (MRPL).

As a result of lower flows to India, South Korea has now emerged as the second-biggest buyer of Iranian oil in August, taking 284,742 b/d. In neighboring Japan, flows from Iran continued their downward trend, falling by 43,162 b/d on the month.

Meanwhile, Iranian oil flows to Europe rebounded sharply in August, with 835,742 b/d sailing to the region, a rise of almost 200,000 b/d month on month.

Turkey remains the region's largest buyer of Iranian crude, with 256,258 b/d exported last month.

Exports to Italy, France, the Netherlands and Greece were all up month on month, demonstrating the price competitiveness of Iranian crude against other regional sour grades, like Russia's Urals, Iraq's Basrah Light and Saudi Arabia's Arab Heavy.

Iran's oil production has also continued to rise in the past few months and is now above its OPEC quota of 3.797 million b/d.

According to a recent Platts OPEC survey, Iranian crude oil production was at 3.83 million b/d in August, up 10,000 b/d from July. The country's oil minister Bijan Zanganeh also confirmed earlier this week that production was more than 3.8 million b/d.

"We hope to increase oil production capacity in the coming months. We can do that with development of the West Karun oil fields and also South Pars gas condensates," he said.

The West Karun oil region is home to Iran's shared oil fields with Iraq, including Azadegan, Yadavaran and Yaran. The area's oil production has reached 280,000 b/d, Zanganeh added.

The country also intends to issue foreign bonds as part of plans to pursue projects in its investment and technology-hungry energy sector, Zanganeh said.

Tehran Ready for Free Trade With Regional Countries: Official

TEHRAN (Tasnim) – Head of Iran's Trade Promotion Organization (TPO) Mojtaba Khosrotaj has said the country is prepared to establish preferential tariffs and free trade with some regional countries, particularly Afghanistan, Pakistan, and Oman.

Speaking at a meeting of a working group on the development of non-oil exports of the southeastern province of Sistan and Baluchestan, Khosrotaj underlined that the province can play a key role in boosting relations with countries like Afghanistan, Pakistan, and Oman.

Regarding preferential tariffs

and free trade, the TPO has done the planning, he said, adding that the organization is ready to establish free trade with countries that have common borders with Sistan and Baluchestan.

Iran has stepped up efforts in recent years to enhance its non-oil exports and reduce dependency on its oil revenues.

In 2014, the country's exports of commodities and natural-gas condensate reached \$50 billion, showing a 19 percent increase.

There was also a boom in Iran's service exports in diverse sectors, including tourism, engineering, and transit.

Karoon Petrochemical Plant Sends 1st MDI Cargo to China

TEHRAN (Shana) – Iran's Karoon Petrochemical Complex has sent 320 tons of methylene diphenyl diisocyanate (MDI) to China, the plant's first shipment to east Asian country, Karoon's managing director said.

Karoon Petrochemical plant is Middle East's first producer of isocyanates.

Afshin Kiani said the plant launched its MDI unit in 2016 by relying on domestic capabilities after Swedish and Germany

licensor abandoned the project out of fear of becoming subject to punishment by U.S. for transacting with a sanctioned Iran.

The company can now supply 40,000 tons/year of 9 grades of MDI and is now supplying polymeric and pure MDI on domestic and international markets.

Iran consumes 20,000 tons of MDI annually which means the rest of the plants' output will be up for grabs by foreign consumers.