

# Iran's Petrochemical Exports Post 5% Rise in 10 Months



TEHRAN (Dispatches)- Spokesman of Iran's Oil, Gas and Petrochemical Products Exporters' Union Seyed Hamid Hosseini said on Monday that the country's export of petrochemical products has grown by 5 percent in the first 10 months of the

current local calendar year (March 21, 2019-January 20, 2020), as compared to the corresponding period last year.

Hosseini said, "Launching new petrochemical units in the country has been cited as one of the main

reasons behind export increase of petrochemicals."

Touching upon the spread of a novel coronavirus, labeled by the World Health Organization (WHO) as the COVID-19, in the world and its impact on global energy market, he added, "The outbreak of the COVID-19 has left severe effects on oil market and downstream industries from two aspects."

According to him, Iran may be affected severely as a result of outbreak of coronavirus, for, a major part of Iran's petrochemical products is exported to neighboring countries.

Iran's petrochemicals are mainly exported to two neighboring countries of Turkey and Iraq, he said, adding, "If closure of borders and insecurity continue in this field, it may affect exports market greatly."

## South Pars Gas Output Increases 14mcm/d



TEHRAN (MNA) -Deputy Operator of the South Pars Gas, phases 22-24, Ali Asghar Sadeqi said on Monday that the last offshore platform phases 22-24 has become operational, increasing the giant reservoir's production by 14 million cubic meters per day.

Sadeqi said the platform 14B,

with a capacity to produce 14.2 million cubic meters of gas, has joint the giant field's production camp.

The 2,500-ton rig has been manufactured by Iranian manufacturers, he added.

When fully operational, phases 22-24 will produce 56 mcm of

natural gas, 50 mcm of methane, 2,900 tons of liquefied petroleum gas, 2,750 tons of ethane, 75,000 barrels of gas condensates, and 400 tons of sulfur on a daily basis.

According to officials, by the end of the year, 70 mcm gas per day will be added to South Pars daily production.

Iran will produce over 750 million cubic meters of natural gas from South Pars by March 2021.

South Pars is the world's largest gas field, shared between Iran and Qatar, covering an area of 3,700 square kilometers of Iran territorial waters in the Persian Gulf. Iran is developing the mega gas project in 24 phases.

More than \$72 billion has been spent on the giant energy venture since work started and investments are forecast to rise to \$87 billion.

## Oil Up as Hopes of OPEC Cut, Stimulus Counter Virus Gloom

WASHINGTON (CNBC) - Oil prices rose on Monday, reversing an earlier fall to multi-year lows as hopes of a deeper cut in output by OPEC and stimulus from central banks countered worries about damage to demand from the coronavirus outbreak.

Brent crude gained 2.7%, or \$1.34, to trade at \$51.05 per barrel, having earlier hit its lowest since July 2017 at \$48.40.

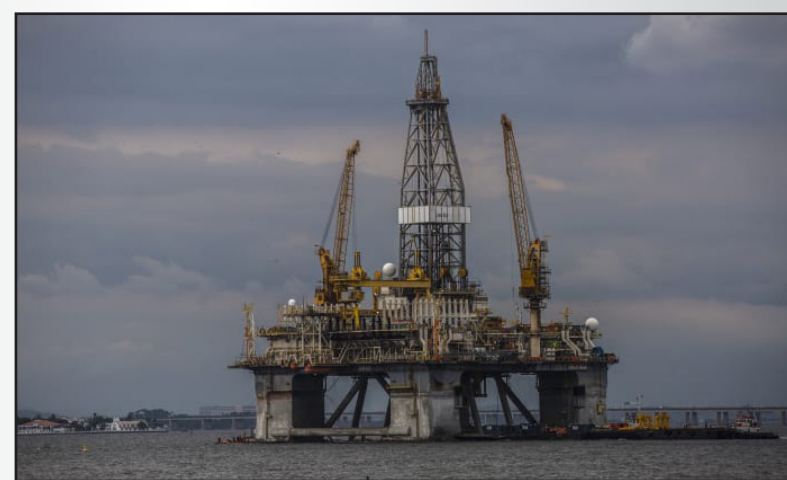
U.S. West Texas Intermediate crude gained \$1.43, or 3.2%, to trade at \$46.22 per barrel.

It was the first gain for both benchmarks after six sessions of losses triggered by coronavirus worries. The virus, which originated in China, has killed nearly 3,000 people and roiled global markets as investors brace for a steep knock to world growth.

Equities underwent their biggest rout since the 2008 financial crisis last week although European and Asian shares steadied on Monday.

The scale of losses last week led financial markets to price in policy responses from the U.S. Federal Reserve to the Bank of Japan, which indicated on Monday it would take necessary steps to stabilize financial markets.

"The comments of Russian President Vladimir Putin, that Russia will keep cooperating with OPEC and its allies, is also helping ahead of the important oil producer meetings at the end



A kayaker passes in front of an offshore oil platform in the Guanabara Bay in Niteroi, Brazil, Saturday, Feb. 1, 2020.

of this week," UBS oil analyst Giovanni Staunovo said.

Data released over the weekend by China, the world's top energy consumer, dragged on oil prices earlier in the session.

Factory activity in the country shrank at the fastest pace ever in February, underscoring the colossal damage from the coronavirus outbreak on its economy.

However, several key members of the Organization of the Petroleum Exporting Countries (OPEC) are mulling an additional production cut in the second quarter with fears the virus outbreak will erode oil demand. The previous proposal was for an additional output cut of 600,000 bpd.

Russian Energy Minister Alexander Novak said on Monday that

Moscow is evaluating the smaller oil production cut proposal made by OPEC+, adding it had not received a proposal for deeper cuts.

Oil prices are down more than 20% since the start of the year despite OPEC and its allies including Russia, a grouping known as OPEC+, curbing oil output by 1.7 million bpd under a deal that runs to the end of March.

"Inaction by OPEC+ would likely trigger another potentially severe bout of selling," analysts at Fitch Solutions have said.

They said that although current prices would incentivize Russia to agree to further output cuts, they would likely be of a short duration, for example, three months, with the barrels brought immediately back to market thereafter.

## Non-Oil Exports From Isfahan Jump 50%

TEHRAN (Dispatches) - Director General provincial Customs Administration of Isfahan Rasoul Kouhestani said Iran's central province of Isfahan has exported 6.755 million tons of commodities in the first 11 months of the current local calendar year (March 21, 2019-February 19, 2020), which shows a 47% jump in comparison to the corresponding period last year.

Isfahan Province exported 6.755 million tons of goods worth around \$2.455 billion during the first 11 months of the current local calendar year, Kouhestani said.

According to Kouhestani, the figures show a 47% and 8% increase in terms of tonnage and value, respectively, in comparison with the corresponding period of last year.

He added that the province had a



5% share of Iran's non-oil exports in the 11-month period, saying Isfahan produces offered 1,173 types of merchandise in 91 countries in the mentioned span.

The main exports included iron and steel, petroleum products, carpet, iron and steel products, dairy

products, stone, cement and plastic.

Iraq (\$598 million), China (\$315 million), Afghanistan (\$261 million), UAE (\$197 million) and Pakistan (\$148 million) were the top five destinations for commodities made in Isfahan.

## Global Growth 'Could Halve' Because of Coronavirus: OECD



LONDON (Dispatches) - The global economy could grow at its slowest rate since 2009 this year due to the coronavirus outbreak, the Organization for Economic Cooperation and Development (OECD) has warned.

The influential think tank has forecast growth of just 2.4% in 2020, down from 2.9% in November.

But it said a longer "more intensive" outbreak could halve growth to 1.5%.

It came after the Bank of England vowed to help stabilize markets, which suffered steep losses last week.

Coronavirus is already forcing businesses to suspend operations in China and elsewhere as officials try to contain its spread.

The OECD forecast the global economy could recover to 3.3% growth in 2021, assuming the epidemic peaked in China in the first quarter of this year and other outbreaks proved mild and contained.

But it said the picture would be

much worse if the virus spread throughout Asia, Europe and North America.

"The main message from this downside scenario is that it would put many countries into a recession, which is why we are urging measures to be taken in the affected areas as quickly as possible," said Laurence Boone, the OECD's chief economist.

Last week saw major stock markets suffer their worst weekly performance since the 2008 financial crisis, with \$1.5 trillion being wiped off the value of global shares. Investors now hope central banks around the world will work in unison to support financial markets as the deadly virus spreads.

On Monday, the Bank of England said it continued to monitor developments and was assessing its potential impact on the global and UK economies and financial systems.

"The Bank is working closely with

HM Treasury and the FCA (Financial Conduct Authority) - as well as our international partners - to ensure all necessary steps are taken to protect financial and monetary stability," a spokesman said.

Japan's central bank and the U.S. Federal Reserve have also said they are prepared to intervene to stop more big falls on global stock markets.

Buoyed by the news, U.S. stocks opened higher on Monday, with the Dow Jones Industrial Average and S&P 500 indexes both up 0.7%.

London's FTSE 100 index soared almost 3% in early trading, before falling back. Asian markets closed higher, with China's Shanghai Composite index gaining 3.2% and Japan's benchmark index, the Nikkei 225, ending the day 1% higher.

On Monday, the privately-run Caixin/Markit Manufacturing Purchasing Managers' Index showed the fastest rate of contraction in China's factory activity since the survey was launched in 2004. That followed the release on Saturday of equally weak official numbers.

Both sets of data come after employers across the country were ordered to remain closed after the annual Chinese New Year holiday as part of attempts by authorities to stem the spread of the virus.

The falls, which were even worse than the slump seen during the 2008 global financial crisis, highlighted the outbreak's huge impact on the world's second-largest economy.

## Gold Rises 1% as Virus Risks Boost Rate Cut Hopes

NEW YORK (Reuters) - Gold rose more than 1% on Monday, rebounding from a steep decline across precious metals in the previous session, amid investor hopes the U.S. Federal Reserve will cut interest rates to cushion the impact of the fast-spreading coronavirus.

Spot gold gained 1.2% to \$1,603.19 per ounce by 0904 GMT. U.S. gold futures rose 2.5% to \$1,606.00.

Gold prices plunged over 4.5% on Friday, with precious metals joining a broader market selloff as investors liquidated positions to meet margin calls in other assets.

On Friday, the U.S. Federal Reserve board hinted they're going to be dropping interest rates and that's a great thing for gold right off the bat," said Stephen Innes, chief market strategist at financial services firm AxiCorp.

Fed Chair Jerome Powell said that while the U.S. economy remained strong, the coronavirus "posed an evolving risk" and the central bank stood ready to take action if needed.

Lower interest rates reduce the opportunity cost of holding non-yielding bullion.