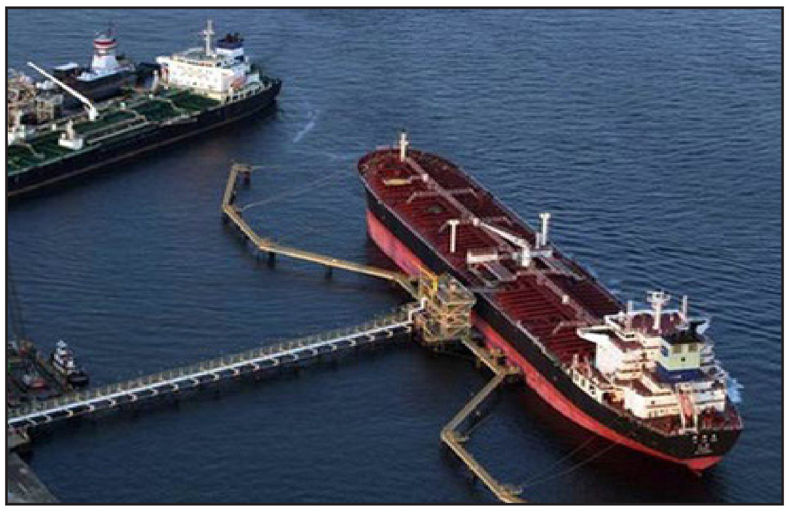
Iran's Oil Exports Jump in September Defying Sanctions



LONDON (Dsipatches) - **Iranian oil exports have risen sharply in September in defiance of U.S. sanctions, three assessments based on tanker tracking showed.**

The country's exports have shrunk since the United States withdrew from a nuclear deal with Iran and reimposed sanctions on its energy and banking sectors in 2018.

But data from TankerTrackers and two other tracking firms indicated exports are rising.

"Exports are way up right now. We are seeing close to 1.5 million bpd in both crude and condensate so far this month," Samir Madani, co-founder of TankerTrackers, said. "These are levels we haven't seen in a year and a half."

The amount was twice that of August, TankerTrackers data showed, and around 11% of it was ultra light crude, known as condensate.

Data from TankerTrackers, which tracks shipments and oil storage, showed almost half of Iranian exports were picked up by foreign vessels via ship-to-ship transfers, making it difficult to determine final destinations.

The two other firms, asking not to be named, also see an increase in September although not to the same extent.

One of them said it was seeing an increase of at least 100,000 bpd in September - still a sizeable volume compared to a low point in May when Iran's crude exports fell to 100,000 to 200,000 barrels per day (bpd) from 2.7 million bpd in May 2018.

Oil Minister Bijan Zangeneh defended last week his efforts to boost exports of crude despite U.S. sanctions and said oil documents were forged to hide the origin of Iranian cargoes.

"What we export is not under Iran's name. The documents are changed over and over, as well as specifications," he was quoted as saying in parliament by state oil company NIOC's website.

Satellite data has made the task easier, but tracking tankers is both art and science and estimates of how much oil a country exports often differ.

Refinitiv Eikon, which shows Iranian exports of crude and condensate at around 383,000 bpd in August to destinations including China, Turkey and the United Arab Emirates, has reported no crude and condensate exports so far in September.

With the sanctions reducing sales, Iran has been storing unsold oil in tankers at sea. While onshore storage has increased, the volume in floating storage has fallen in 2020, suggesting Iran has found end-users for some of the oil.

The floating storage volume has fallen by about 20 million barrels, separate data provided by OilX and Kpler showed, although each firm had a different estimate of the total.

Oil Ministry Obtains Know-How to Turn Methanol to Propylene

TEHRAN (Dispatches) - **Iran's petrochemical industry has attained a major achievement by obtaining the know-how to turn methanol into propylene (MPT), a technology which authorities say was previously ring-fenced by two countries.**

The development came on Thursday during the inauguration of a semi-industrial petrochemical plant in southern Iranian port city of Mahshahr where some 120,000 metric tons of propylene will be produced each year from methanol and independently of the original feedstock.

Seyyed Omid Shahidinia, a local Oil Ministry official said during the inauguration ceremony that the commercial use of MPT had been monopolized by two countries which he would not identify.

"They would not let us have the technology due to the sanctions, and now Iran is the third country which has obtained this technical expertise," said Shahidinia, making a reference to American sanctions that have sought to hamper Iran's efforts to develop its energy sector.

Concurrent with the inauguration, Oil Ministry officials in Tehran awarded a contract to Fateh Petrochemicals for commercial use of MPT in Iran.

The contract, which is related to the petrochemical plant in Mahshahr, would enable Iran to significantly increase its propylene output in the upcoming years, according to Behzad Mohammadi, a deputy oil minister and CEO of Ian's largest company in the sector, namely the National Petrochemical Company (NPC).

Mohammadi said Iran had eyed a propylene output of two million tons per year for 2025 but he insisted that the figure would increase to 4 million tons by 2026 through implementing various schemes including the use of MTP technology.

The senior official said Iran's current propylene output is nearly one million tons per year, adding that total production capacity for all petrochemical products has reached around 70 million tons per year.

Danske Bank, Deutsche Bank Channelled Suspicious Money: Danish Media

COPENHAGEN (Reuters) - **Danske Bank helped Deutsche Bank facilitate suspicious trades worth over $600 million through its branch in Lithuania between 2012 and 2015, Danish media outlets reported on Thursday.**

The reports, by newspapers Berlingske and Politiken and public broadcaster DR, cited leaked documents from Deutsche Bank obtained by the German daily Suddeutsche Zeitung and later shared with the International Consortium of Investigative Journalists (ICIJ).

The documents appear to show that Deutsche Bank moved around 4 billion Danish crowns ($627 million) in so-called mirror trades through Danske Bank in Lithuania, the Danish outlets reported.

Deutsche Bank declined to comment, and Danske Bank said it could not comment on specific matters due to ongoing investigations by authorities.

In 2017, Deutsche paid a $425 million fine in the United States over a mirror trading scheme, which moved $10 billion out of Russia between 2011 and 2015.

Mirror trades - for instance, buying Russian stocks in roubles for one client and selling the identical value of securities in U.S. dollars for a related one - are legal, but can create a pipeline for money laundering.

Authorities in the United States and other countries are currently investigating Deutsche Bank's role in a money laundering scandal in neighbouring Estonia, where 200 billion euros in suspicious payments were made through Danske Bank's branch.

"As we have previously communicated, as a natural consequence of the Estonia case, we are also looking at other parts of our historical business, including in Latvia and Lithuania," Danske's Chief Compliance Officer Philippe Vollot said.

Report: Exports to EU Grow Despite Virus, Sanctions

TEHRAN (Dispatches) - **Tehran Chamber of Commerce (TCCIMA) has reported that exports of Iranian products to the European Union countries increased in the 7 months of this year in spite of the coronavirus outbreak and sanctions illegally imposed by the U.S., though the EU imports to Iran have declined during the same period.**

The report published indicated that imports from the EU fell by over 11% compared to January-July 2019 to amount to €2.209 billion in value terms.

The report added, however, that Iran's exports to the EU were up nearly 5% at €440 million although non-oil exports had dropped by 11% over the period.

Germany remained Iran's top partner in the EU region doing approximately 41% of all Iran-EU exchanges worth €2.649 billion reported over the seven months to July, it showed, adding that trade with Germany and the Netherlands grew against a decline recorded in exchanges with France and Italy.

April was the worst month on record for Iran-EU trade as virus-related restrictions in both Iran and across the EU caused a decline in exchanges, the report showed.

Iran's imports from the EU reached its lowest point in July with a 29% decline year on year, said the report, adding that trade surged significantly in January before the disease outbreak and fresh round of American sanctions illegally imposed on Iran caused a notable plummet in shipments both in terms of value and volume.

Wall Street Sees Third-Biggest Outflow Ever

NEW YORK (Dispatches) - **The risk-off sentiment on Wall Street fueled the third-worst weekly outflow on record from U.S. equities, with technology shares falling out of favor.**

U.S. stock funds bled $25.8 billion in the week through Sept. 23, according to Bank of America Corp. and EPFR Global data, in a reversal from the previous week's biggest inflow in more than two years. Investors exited the hottest sector of the rebound, pulling the most money out of tech funds since June 2019.

While traders were buying the dip just a week ago, sentiment has switched firmly to risk off in recent sessions, with pessimism seeping in about the prospect of further fiscal stimulus to support the world's biggest economy.

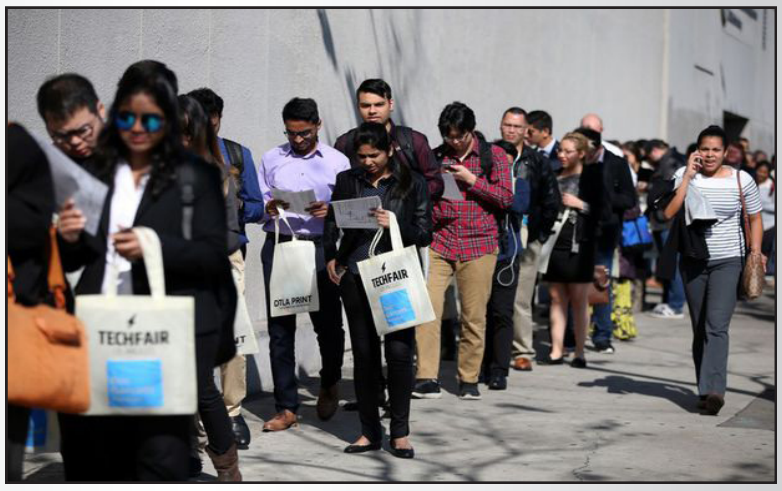
The S&P 500 Index is on course for its fourth straight weekly drop, its longest losing streak in more than a year. That's fueling U.S. equity underperformance versus Asia and Europe in September.

In a flight to haven assets, investors are pulling out of equities as well as cash to put their money into debt and gold. Bond funds received $1.3 billion in the most recent week, while the precious metal attracted $1.4 billion in inflows -- the most since the flash crash in early August -- according to the BofA report. Stocks overall bled $22.8 billion, the most since March.

Still, strategists led by Michael Hartnett view this month's market moves as a "healthy rather than dangerous correction."

U.S. Labor Market Slowing as Fiscal Stimulus Fades

WASHINGTON (Reuters) - **The number of Americans filing new claims for unemployment benefits unexpectedly increased last week, supporting views the economic recovery from the COVID-19 pandemic was running out of steam amid diminishing government funding.**



The weekly jobless claims report from the Labor Department on Thursday, the most timely data on the economy's health, also showed 26 million people were on unemployment benefits in early September. The faltering labor market recovery and a recent rise in new coronavirus infections has piled pressure on Congress and the White House to come up with another rescue package.

Federal Reserve Chair Jerome Powell told lawmakers on Wednesday that Congress and the U.S. central bank needed to "stay with it" in working to support the economy's recovery. More fiscal stimulus is looking increasingly unlikely before the Nov. 3 presidential election.

"The high level of joblessness shows that the country isn't out of the woods yet and it won't be if the pleading of Fed officials for more stimulus isn't heard by government officials down in Washington," said Chris Rupkey, chief economist at MUFG in New York. "The economy is running on empty."

Initial claims for state unemployment benefits rose 4,000 to a seasonally adjusted 870,000 for the week ended Sept. 19. Data for the prior week was revised to show 6,000 more applications received than previously reported. Economists polled by Reuters had forecast 840,000 applications in the latest week.

Unadjusted claims increased 28,527 to 824,542 last week. Economists prefer the unadjusted claims number given earlier difficulties adjusting the claims data for seasonal fluctuations because of the economic shock caused by the coronavirus crisis.

Six months after the pandemic started in the United States, jobless claims remain above their 665,000 peak during the 2007-09 Great Recession, though applications have dropped from a record 6.867 million at the end of March.

While the reopening of businesses in May boosted activity, demand in the vast services industries has remained lackluster, keeping layoffs elevated. Job cuts have also spread to industries such as financial services and technology that were not initially impacted by the mandated business closures in mid-March because of insufficient demand.

A total 630,080 applications were received for the government-funded pandemic unemployment assistance last week. The PUA is for the self-employed, gig workers and others who do not qualify for the regular state unemployment programs. Altogether, 1.5 million people filed claims last week.

Stocks on Wall Street were trading lower. The dollar gained versus a basket of currencies. U.S. Treasury prices rose.

The claims report also showed the number of people receiving benefits after an initial week of aid dropped 167,000 to 12.58 million in the week ending Sept. 12.

Economists believed the so-called continuing claims are declining as people exhaust their eligibility for benefits, which are limited to 26 weeks in most states.