

Oil Minister Arrives in Iraq to Bolster Bilateral Ties



Iranian Oil Minister Javad Owji

TEHRAN – Iranian Oil Minister Javad Owji arrived in the Iraqi capital of Baghdad at the head of a high-ranking delegation on Wednesday afternoon to strengthen mutual co-

operation in various fields of energy. The Iranian oil minister, who has traveled to neighboring Iraq with the aim of improving energy cooperation in down and upstream

sectors, was welcomed by Iraqi officials upon his arrival at the Baghdad International Airport.

According to the scheduled program, Owji will meet Iraqi Prime Minister Mohammed Shia' Al Sudani, Oil Minister Hayan Abdel-Ghani, and Electricity Minister Ziad Ali Fazel during his stay in the Arab country.

The Iranian and Iraqi officials will discuss bilateral ties, issues of mutual interest in the fields of joint fields, and the export of technical and engineering services, among others.

Iranian President Ebrahim Raisi in a recent meeting with his Iraqi counterpart Abdul Latif Rashid in Tehran had emphasized that relations between Tehran and Baghdad in infrastructural fields such as water, electricity and energy should continue and develop.

Iran-Qatar Trade Increases 45%

TEHRAN – Chairman of the Iran-Qatar Chamber of Commerce Adnan Mousapour has said that the volume of trade exchanges between Iran and Qatar registered a 45% rise in 2022 compared to the year before to reach \$208 million.

Mousapour made the remarks on the sidelines of the Fifth Export Potential Exhibition of Iran, also known as "Iran Expo 2023". Agricultural products, dried nuts and construction materials were among the most important products exported from Iran to Qatar during the period, he added, Financial Tribune reported.

Mousapour emphasized that establishing trade and economic relations with neighboring countries both in the short- and long-term will benefit the economy.

The world's biggest contract for saffron trade was signed between Iran and Qatar on Sept. 18, in the presence of Iran's Ambassador in Doha Hamidreza Dehqani Poudh and Qatar's Minister of Finance Ali bin Ahmed Al Kuwari.

Based on the contract, a total of 200 tons of saffron worth around \$300 million will be processed and exported from Iran to neighboring Qatar.

Al Kuwari said in the meeting that Qatar is ready to cooperate with Iran in processing saffron on par with global standards.

Experts believe this contract is one of a kind, and can have a positive impact on Iran's domestic saffron market and help export processed saffron, creating value added for the precious

Iranian spice.

Iran produces over 90% of all saffron produced in the world, 80% of which are exported. However, the share of Iran in the global trade of saffron is disproportionately low, as many customers of the Iranian spice buy it in bulk and reexport after packaging it to third countries.

Iran and Qatar began forging stronger economic ties after a number of Arab states led by Saudi Arabia severed diplomatic relations with Doha in 2017 and imposed a blockade on the Persian Gulf country.

Following the development, Iranian exporters vied for the Qatari market in the absence of Doha's traditional Arab partners.

Official: 'Iran Expo 2023' Manifestation of Failing Sanctions

EHRAN – The caretaker of the Iranian ministry of industry, mine and trade Mehdi Niazi on Wednesday said that the 5th Export Potential Exhibition of the Islamic Republic of Iran entitled "Iran Expo 2023" is the manifestation of thwarting the sanctions imposed against the country.

Mehdi Niazi made the remarks at the closing ceremony of the Iran Expo 2023 and added that 750 major export companies attended this exhibition in 12 groups of commodity.

Meanwhile, about 700 Business-to-Business (B2B) meet-



ings were held on the sidelines of the expo, he said.

The 5th edition of Iran Expo 2023 kicked off on May 7 and wrapped up its work on May 10.

IRICA: Trade With BRICS States Grows 14%



TEHRAN – Islamic Republic of Iran Customs Administration (IRICA) data show that the value of Iran's non-oil trade with BRICS group of countries, including Brazil, Russia, India, China and South Africa, hit \$38.43 billion in the 2022-2023 fiscal years.

The data indicated that non-oil

trade between Iran and BRICS member states, comprising newly-emerging economies in the world, represented a 14 percent increase compared to a year earlier.

In recent months, BRICS has seen a surge of interest from Global South nations looking to ditch the U.S. dollar and the hegemonic

Western financial system.

Another statistic showed that China, with \$30.32 billion worth of trade, is Iran's main trade partner in BRICS, followed by India (\$4.99 billion), Russia (\$2.32 billion), Brazil (\$466.55 million) and South Africa (\$322.04 million).

The economic report comes just days after Tehran revealed that trade with African nations increased by 2.24 percent in fiscal year 2022-23, to reach \$1.2 billion.

Despite the "maximum pressure" sanctions campaign from the West, the Islamic Republic has managed to overcome the unilateral restrictions and bolster industrial capacity, according to oilprice.com.

Iran, alongside five Arab nations, has formally requested to join the alliance. BRICS foreign ministers will hold an annual summit in Cape Town during the first week of June to discuss the membership applications.

Oil Prices Sink as Inflation Anxiety Builds

NEW YORK (Oil Price) - Crude oil prices were once again on the decline today in Asian morning trade, extending a slip that began yesterday after the American Petroleum Institute surprised markets by estimating an inventory build in both crude and gasoline.

The API reported a 3.62-million-barrel increase in crude oil inventories, with gasoline stocks up by some 400,000 barrels.

Because the market had expected a draw, the estimates pressured oil prices already on shaky grounds as traders wait for the release of the consumer price index reading for April, due out later today.

If inflation remains stubbornly high, it would mean more rate hikes and more rate hikes would mean pressure on global oil de-

mand as they would push the U.S. dollar higher making oil more expensive for other currency markets.

At the same time, prices got some support from the latest federal government update on plans to refill the strategic petroleum reserve after a historic draw of some 200 million barrels last year.

In this update, Energy Secretary Jennifer Granholm said the department could start buying oil for the SPR later this year. This was effectively a reiteration of previous statements that were not followed by actions of any kind but they also propped up prices for a while—in this case reversing a price decline in early Tuesday to a gain by the end of trade.

"It appears as though the U.S.

administration is still keen to refill the SPR later this year once maintenance at storage sites is complete," Warren Patterson, head of commodities strategy at ING Groep, told Bloomberg. "Obviously, this will also be price-dependent."

Right now, West Texas Intermediate is a bit above the higher end of the range the DoE gave for its target price for the refill: between \$67 and \$72 per barrel. At the time of writing, WTI was trading at a little over \$73 per barrel.

There is still some support for oil prices from Canada, where wildfires forced the shut-in of over 300,000 bpd in production. The situation is normalizing thanks to cooler weather and production would likely resume soon.

U.S. Stocks Fall Amid Debt-Ceiling Worries

WASHINGTON (Reuters) - Stocks edged up, oil prices recovered and bond yields fell on Wednesday after data showed U.S. consumer prices rose at a slightly slower-than-expected pace last month, evidence that the Federal Reserve was succeeding in its fight against inflation.

MSCI's gauge of global equity performance rose 0.03% after the Labor Department's Consumer Price Index (CPI) rose 4.9% year-over-year in April, against expectations of 5%.

The odds favoring a 'pause' in rate hikes in June sharply increased after the data, sending Dow e-minis up 78 points, or 0.23%, while S&P 500 e-minis rose 14.75 points having been down before the key data release.

"Markets are reacting positively, with a drop in short-term rates and a pick-up in equity futures," said John Leiper, Chief Investment Officer at Titan Asset Management.

"Bigger picture, I think the market is hyper fixated on the 'pause' but a pause is still restrictive overall," he said.

U.S. and Brent oil futures likewise turned positive having fallen as much as \$1 in earlier trading, on concerns a rise in U.S. inventories showed weakening demand.

Economists had expected the headline CPI to hold steady at an annual 5% and core CPI to moderate very slightly to 5.5%, with anything stickier seen likely to confound bets interest rates will fall.

The dollar index hit a session low of 101.36 after the headline April inflation data, while bench-



mark 10-year German bond yields edged down 4 basis points.

The broad-based rally across asset classes showed investors relieved that the U.S. is making progress in the battle against in-

flation which has roiled markets worldwide this year.

Problems still loom in the world's biggest economy however, with lawmakers at an impasse over the approaching U.S. debt ceiling.

Court Annuls EU Approval of Billions for Lufthansa, SAS

RUSSELS (AP) — A top European Union court ruled Wednesday that EU competition authorities were wrong to approve massive bailouts designed to help German flag-carrier Lufthansa and Scandinavian airline SAS deal with the impact of COVID-19 restrictions.

The 27 EU member countries must seek approval from the bloc's executive branch, the European Commission, when granting financial support to compa-

nies. Many countries across Europe did so in 2020 to help keep their airlines afloat during the pandemic.

In June 2020, Germany notified the commission of its intent to provide 6 billion euros (\$6.6 billion) in aid to Lufthansa. That August, Denmark and Sweden indicated they would be providing 1.07 billion euros (\$1.17 billion) in support to SAS.

Low-cost Irish carrier Ryanair, which also was struggling to survive at the time,

appealed to the EU's General Court, which ruled that the commission "committed several errors" in making its positive assessment of the German plan.

Among the errors, a statement from the court said, was thinking "that Lufthansa was unable to obtain financing on the markets for the entirety of its needs" and "failing to require a mechanism incentivizing Lufthansa to buy back Germany's shareholding as quickly as

possible."

The Luxembourg-based tribunal said the commission also acted incorrectly "by denying that Lufthansa held significant market power at certain airports, and by accepting various commitments that do not ensure that effective competition on the market is preserved."

Concerning Ryanair's challenge of the state aid to SAS, the court ruled that "the contested decision must be annulled in its entirety."

It was not immediately clear what impact the rulings might have in the situations the court considered or on other such decisions in the airline sector.

The European Commission said only that "we will carefully study the judgment and reflect on possible next steps." A commission spokesperson noted that Lufthansa had paid back the aid to Germany. SAS has not yet paid back Denmark and Sweden.