

WPB JOURNAL

REPORT

Fluctuations and Strategies in the Bitumen Market
During the Last Two Weeks of August 2026

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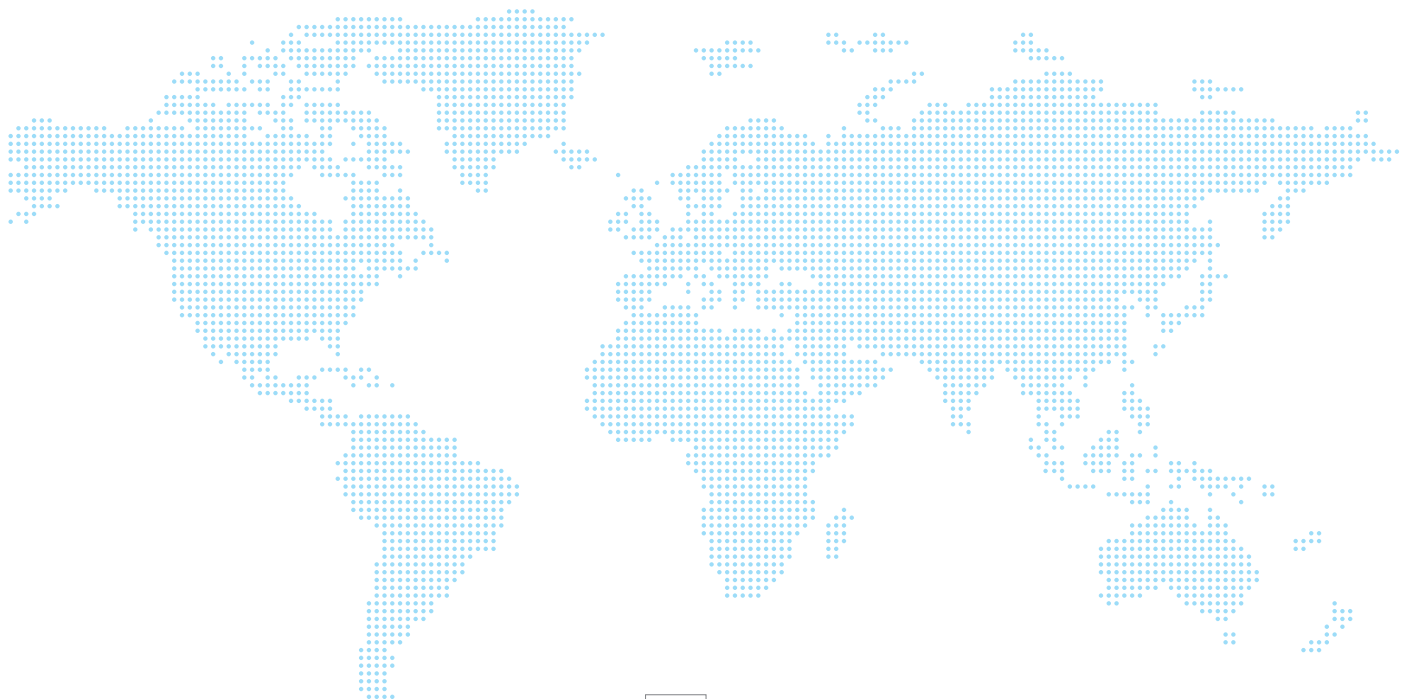


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Limited Global Bitumen Market Intelligence

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Political Analysis

Political Analysis

Strategic waterways, alternative corridors and downstream resilience

The political picture is dominated by the transformation of energy logistics into a question of state power, security and corridor control. The Strait of Hormuz remains the central pressure point, but the Red Sea and Bab el-Mandeb can no longer be treated as automatic alternatives. Iran and Iraq are being pushed toward more complex export architectures, Saudi Arabia is preserving strategic optionality through non-Hormuz routes, and Russia faces a combination of infrastructure attacks and sanctions pressure. For bitumen, the central political lesson is that physical availability at a refinery is no longer enough: market access increasingly depends on navigational permissions, insurance acceptance, sanctions compliance, route security and the ability of governments and companies to keep multiple corridors operational.

1. Hormuz: A Waterway Can Be Open Yet Commercially Unusable

The Strait of Hormuz is no longer functioning as a simple open maritime passage whose commercial use can be assumed. Military escalation, restricted vessel movements and subsequent diplomatic efforts have turned passage through the strait into a managed security problem. Even when the risk of immediate strikes falls, normal trade does not return automatically. Shipowners still require predictable transit procedures, insurers need evidence that risk has genuinely declined, and cargo owners must be confident that a vessel will not become trapped in a queue or exposed to a sudden change in

operating rules.

This distinction is especially important for bitumen because the product depends on specialized tankers, heated handling, packaging systems and project-specific delivery windows. A political agreement can reduce headline oil risk quickly while bitumen logistics recover more slowly. The emerging model is therefore one of conditional normalization: passage may reopen in stages, but freight, insurance, documentation, sanctions exposure and buyer diversification remain embedded in commercial decisions. In this environment, diplomacy affects delivered bitumen cost through logistics long before it changes refinery production itself.

2. Beyond One Chokepoint: Red Sea Risk and New Export Corridors

The traditional response to Gulf disruption has been to shift more traffic toward the Red Sea, Suez and Mediterranean system. That strategy is now less secure. Attacks near key Saudi infrastructure, threats around Bab el-Mandeb and strikes affecting facilities near the southern Red Sea show that rerouting away from Hormuz can simply move exposure from one strategic corridor to another. For vessels carrying petroleum products, the resulting problem is not only the possibility of physical damage; it is the uncertainty that drives war-risk premiums, crew restrictions, route changes and longer voyage planning.

Saudi Arabia's growing use of westward export infrastructure therefore represents more than a temporary workaround. The East-West system and Mediterranean access through Egypt provide strategic flexibility, but



Saudi logistics still depend on the security of the Red Sea network. The wider lesson for bitumen trade is that route diversification must now be multi-layered. A supplier needs alternative loading points, storage, vessel options and destination flexibility rather than a single substitute route. The Red Sea crisis has turned redundancy from an efficiency choice into a core element of energy-security policy.

3. Refineries, Alliances and the Politics of Supply Continuity

Energy security pressure is increasingly reaching the physical infrastructure that makes exports and refining possible. Attacks around the Black Sea export system have demonstrated that even when a loading installation is not permanently damaged, temporary suspensions and heightened security can affect a corridor that carries a major share of Kazakhstan's crude. Repeated strikes on Russian refining assets create a parallel downstream risk: individual plants may restart, yet recurring repairs, precautionary shutdowns and altered maintenance schedules gradually reduce the flexibility of the broader refining network.

Sanctions policy adds a second layer. A U.S. legislative initiative has raised the possibility of tariffs of up to 100 percent on imports from major buyers of Russian energy, increasing the political risk faced by countries and companies that continue to trade with Russia. The measure is not equivalent to an automatic global embargo, but it changes the calculation for refiners, traders and banks. Bitumen is exposed through refinery residue allocation, export logistics and buyer compliance. The key political variable is therefore cumulative pressure: physical attacks, sanctions, insurance and changing trade relationships can reinforce one another even when no single event creates an immediate global shortage.

4. Iran's Export Network Faces a Vessel-Cycle Problem

Iran's export vulnerability is increasingly visible at the level of vessel circulation rather than only refinery output. When tankers cannot reliably enter the Persian Gulf, load, depart and later be replaced by another empty vessel, the entire export cycle weakens. The inactivity around Kharg Island illustrates how a major terminal can remain physically capable of loading while the surrounding shipping system loses enough vessel rotation to constrain actual exports. The result is a logistics bottleneck that can spread from crude into heavy refinery streams and bitumen-related trade.

Iran is consequently placing greater strategic value on controlling inbound traffic, receiving advance information on outbound movements and developing routes that reduce dependence on a single maritime gateway. Gulf of Oman access, overland links, storage outside the most exposed zone and multimodal corridors all gain importance, but none can instantly replace the mature infrastructure concentrated around established Gulf terminals. For bitumen buyers, Iranian supply must therefore be evaluated through a wider lens: product availability, loading access, tanker entry, insurance, payment channels and destination acceptance all have to work at the same time.

5. Iraq Is Being Forced to Build an Exit Strategy

Iraq's dependence on the Persian Gulf has become a strategic weakness. Severe disruption to normal seaborne exports has reduced crude flows dramatically and forced Baghdad to consider alternatives that were previously secondary. The reopening of a route through Syria to the Mediterranean demonstrates how an emergency corridor can evolve into a functioning trade option. Fuel oil has already shown the practical viability of moving material toward Baniyas, creating a template that could eventually be relevant to other heavy petroleum products if technical handling, storage and commercial conditions are developed.

The cost of this dependence is also visible in pricing behavior. Deep discounts on Basrah crude are effectively compensation for the risk and inconvenience of moving cargo through a constrained maritime system. For bitumen, the same logic can appear as lower FOB values, higher freight, tougher payment terms or a preference for routes that sacrifice some price competitiveness in exchange for delivery certainty. Iraq's longer-term challenge is therefore not simply to restore export volume, but to build enough pipeline, road, terminal and Mediterranean optionality that one chokepoint cannot determine the commercial fate of its petroleum chain.

6. Industrial Sovereignty Is Extending Into Roads and Equipment

Geopolitical competition is moving beyond crude supply into the industrial systems that support infrastructure. Russia is strengthening domestic distribution of bitumen and construction materials while deepening technical integration

with Chinese manufacturing through overseas quality-control and acceptance mechanisms. The objective is resilience: verify equipment before shipment, reduce dependence on former supply channels and keep industrial assets operating despite restrictions on technology and trade. This makes road materials, refinery hardware and engineering assurance part of a broader strategy of industrial sovereignty.

China's expansion in African road equipment follows a different but related model. By pairing asphalt plants, pavers, recycling machinery, training, spare parts and local service capacity, Chinese suppliers can become embedded in the operating life of transport infrastructure rather than remaining one-time exporters. That creates durable commercial influence and can shape future choices about plant technology, recycling practice and binder specifications. Roads are therefore becoming a field of strategic competition in which equipment ecosystems, standards, financing, maintenance capability and material supply can reinforce long-term political and economic relationships.

Economic Analysis

Economic Analysis

Delivered cost, regionalization and changing supply economics

Economically, the period shows a decisive shift from commodity pricing toward delivered-cost and reliability economics. Global bitumen prices can remain relatively stable even while the underlying system becomes more fragile because inventories, contracts and intermediaries temporarily absorb shocks. At the same time, India is recovering demand, China is adjusting refinery and export behavior, high diesel margins are competing with bitumen for heavy refinery streams, and infrastructure programs in Africa are creating medium-term demand opportunities. Freight has become a first-order price variable: carbon charges, low river levels, route security and vessel positioning can change the economics of a cargo without any change in the refinery's base quotation.

1. The Price at the Refinery Is No Longer the Price That Matters

Transport costs are now capable of overwhelming small differences in refinery pricing. European carbon regulation adds an emissions cost to maritime voyages touching the European Economic Area, and specialized bitumen shipping can be particularly sensitive because cargoes require heated handling and dedicated equipment. Inland Europe faces another constraint: exceptionally low Rhine water levels have forced barges to carry only a fraction of normal loads, sharply increasing the cost of moving petroleum products from major storage and refining centers toward inland consumers.

Containerized bitumen is seeing a different adjustment as major carriers gradually restore selected Red Sea and Suez services. Shorter routes can improve transit time, container circulation and sailing economics for drummed or packaged material, but the recovery remains conditional on security. Taken together, these developments show why freight can no longer be treated as a secondary add-on. Marine carbon charges, river depth, war risk, vessel positioning and route selection all directly affect the delivered competitiveness of bitumen, sometimes more than the underlying refinery price.

2. A More Regional Market - Not a Weaker Market

One of the most important market signals is the separation between geopolitical stress and visible bitumen prices. Across a broad set of national markets, quoted values showed only limited movement despite extreme uncertainty around major shipping corridors. Long-term contracts, strategic inventories, delayed price transmission and intermediary margins can absorb part of the shock, producing apparent price stability even while freight, insurance and operational risk are rising underneath. This is a fragile equilibrium rather than evidence that the supply chain is unaffected. At the same time, the market is becoming more regional. Storage hubs, nearby suppliers and shorter delivery chains are gaining commercial value because reliability itself has become part of the product. Azerbaijan's sharp increase in bitumen exports illustrates how smaller regional suppliers can gain relevance when buyers look for alternative origins and shorter routes. Russia's expansion of domestic bitumen distribution reflects the same logic from the producer

side: regional infrastructure demand can influence allocation decisions as strongly as export opportunities. The economic center of gravity is shifting from the cheapest nominal cargo toward the best combination of price, availability, storage and delivery certainty.

3. New Refining Capacity and the Global Price Map

Bitumen supply is increasingly shaped by refinery opportunity cost. Strong margins for diesel and other transport fuels encourage refiners to prioritize product slates that maximize near-term returns, which can restrict the amount of heavy residue directed toward paving-grade bitumen. This helps explain why a period of high refining profitability does not automatically translate into abundant bitumen. Vacuum residue is an economic feedstock, and its final use depends on refinery configuration, crude quality and competing product values.

China adds another variable by authorizing larger refined-fuel exports and raising refinery runs. Higher throughput can increase the absolute volume of heavy residue available, but it can also strengthen competition among product streams if export incentives favor fuels. Australia is examining the opposite problem from a strategic perspective: a proposed new refinery could strengthen domestic fuel security and, if designed with the appropriate residue-management configuration, reduce dependence on imported bitumen. Across all three cases, the central economic question is not how much crude is processed, but how refiners choose to monetize the bottom of the barrel.

4. India's Demand Recovery Is Changing Procurement

India remains one of the strongest demand anchors in the global bitumen market, but its recovery is uneven. Consumption has returned to positive year-on-year growth even though monsoon conditions continue to suppress month-to-month road activity. That combination matters: weak seasonal paving does not necessarily mean weak underlying demand. A large highway program, public road budgets and delayed work can create a strong post-monsoon requirement once construction conditions normalize.

The supply model is also changing. Import volumes have shown pressure even while infrastructure spending remains high, pushing buyers to focus more closely on domestic refinery allocation, cargo timing, storage and contract flexibility.

Procurement is moving away from a simple lowest-price model. Importers increasingly evaluate whether a supplier can secure freight, maintain specifications, absorb schedule changes and provide reliable delivery through an unstable maritime environment. India's market therefore combines structural demand growth with a more sophisticated risk premium: a slightly higher-priced cargo can be economically superior if it protects a paving program from delay.

5. Chokepoint Risk Creates Both Premiums and Discounts

The same geopolitical disruption is producing opposite price signals depending on the cargo. Asian refiners have been willing to pay premiums for Abu Dhabi crude because dependable access to a preferred grade and a credible loading program carries extra value when Gulf supply is uncertain. Iraq, by contrast, has had to offer unusually deep discounts on Basrah crude to compensate buyers for the risk of delayed or difficult movement through Hormuz. Price is therefore becoming a function of route confidence as much as crude quality or refinery yield.

Short-term oil prices can fall when military risk appears to ease, but the commercial premium embedded in logistics may persist longer. Bitumen inherits this asymmetry. A refinery can offer a competitive base price while the delivered cargo remains expensive because of insurance, vessel scarcity or waiting time; alternatively, a more expensive origin can win business because its route is more dependable. Traders and contractors increasingly need to separate refinery value from logistics value. The relevant benchmark is the landed, usable tonne delivered within the project window, not the headline FOB number.

6. African Infrastructure Growth Is Real, but Delivery Risk Decides the Sale

Africa offers some of the strongest medium-term demand signals, particularly where road, port and mining-corridor investment is expanding. Mozambique's large road program and the planned increase in paved-road coverage create a substantial future requirement for asphalt binders and related materials. Yet announced infrastructure spending is not the same as an immediate bitumen order. Contractors still need financing, specifications, storage, port capacity and a workable construction schedule before demand becomes a cargo.

Regional economics differ sharply. Kenya is highly sensitive to import logistics through Mombasa, while Nigeria offers large project scale but greater currency, payment and specification risk. Exchange-rate weakness can raise local procurement cost even when the supplier's dollar quotation is unchanged. Chinese investment in local asphalt-production and recycling equipment can improve execution capacity and deepen demand for specialized binders, emulsions and technical services. The commercial opportunity is therefore broader than selling penetration-grade bitumen: suppliers that combine reliable freight, specification support, storage planning and project intelligence are better positioned to convert infrastructure announcements into repeat business.

Scientific & Engineering Analysis

Scientific & Engineering Analysis

Climate adaptation, preventive maintenance and circular materials

Scientifically, the strongest theme is the transition from conventional asphalt toward engineered, data-informed and circular pavement systems. Recovered binder from roofing shingles is moving into commercial supply chains; cool pavements are being tested as tools for urban heat and water management; ultra-thin overlays are extending pavement life with less material; and European heat stress is pushing specifications toward more climate-responsive binder selection. At the same time, physics-informed artificial intelligence is being applied to fatigue prediction, while in-place recycling is reducing the need to remove and replace entire pavement structures. The direction is clear: future asphalt performance will depend increasingly on material characterization, lifecycle design, recycling compatibility and predictive engineering rather than binder grade alone.

1. Cooler Cities and Heat-Resilient Asphalt

Cool-pavement systems are being developed to address two urban problems simultaneously: excessive surface temperature and stormwater management. Permeable and porous pavement can retain water below the sur-

face and release it gradually through evaporation, while light-colored aggregates and high-reflectance binder systems reduce solar heat absorption. Experimental work linked to Spain has demonstrated substantial reductions in pavement surface temperature, with additional benefits for local air temperature and traffic noise under suitable conditions.

The material science is more complex than simply making asphalt lighter. Reflectance, permeability, binder chemistry, aggregate color, surface texture and moisture availability all affect performance. Designers must also consider glare, clogging, cleaning, durability and maintenance cost. These systems may therefore expand demand for transparent or synthetic binders, modified bitumen, emulsions and carefully selected aggregates rather than replacing asphalt outright. For hot-climate cities, the key scientific shift is that pavement is being designed not only for traffic loading, but also for thermal behavior, drainage and urban microclimate.

2. Ultra-Thin Overlays and the Right-Time Intervention

Ultra-thin asphalt overlays use a small amount of material to restore surface function before a pavement reaches structural failure. Their value comes from

preventive timing: a thin, well-bonded layer can improve ride quality, skid resistance and surface protection while minimizing material consumption, construction time and traffic disruption. This makes the technique particularly attractive for high-volume roads where long closures are economically expensive.

The reduced thickness raises the technical requirements. Binder quality, aggregate grading, surface preparation, tack performance, compaction and placement accuracy become more critical because there is little material depth available to absorb construction errors. Ultra-thin systems are not a substitute for full-depth rehabilitation when the underlying pavement is structurally damaged. Their scientific and economic advantage appears when condition assessment identifies the correct intervention window. Combined with warm-mix technology, recycled materials or higher-performance binders, the approach supports a maintenance philosophy based on extending service life with precisely targeted material rather than waiting for major failure.

3. Recovered Binder and the Next Circular Mixture

Asphalt roofing shingles contain a recoverable combination of bituminous binder, mineral aggregate, limestone and fiber. A commercial-scale Canadian process is separating these components instead of sending the full shingle mass to landfill or downcycling it into a lower-value mixture. The most important technical milestone is not simply the ability to extract liquid asphalt, but the repeated delivery of that recovered binder into an established industrial customer's system. That moves the material from laboratory feasibility toward controlled commercial qualification.

The engineering challenge now shifts to consistency. Recovered binder must remain stable across variable post-consumer feedstock, contamination levels and long-duration operation. Energy use, maintenance, binder uniformity and blending performance will determine whether the process can scale economically. Pelletization also offers a possible route to easier storage and transport by reducing dependence on continuously heated liquid handling. The technology will not replace refinery bitumen at global scale in the near term, but it demonstrates a credible secondary binder stream with lower landfill demand

and potentially lower lifecycle emissions.

4. Heatwaves Are Forcing Climate-Specific Asphalt Specifications

Repeated extreme heat is exposing the weakness of pavement standards that rely too heavily on historical climate conditions. Higher surface temperatures increase the risk of rutting, permanent deformation and accelerated aging, especially under slow heavy traffic and high static loads. The appropriate response is not simply a universally harder binder. Greater high-temperature stiffness can improve rut resistance but may reduce flexibility in colder conditions or increase cracking risk if the full seasonal temperature range is ignored.

This is pushing road authorities toward more performance-based material selection. Polymer-modified binders, performance-graded systems, advanced mixture design and climate-specific validation can match the binder more closely to traffic, temperature and expected service life. Airports, ports, bus lanes, urban heat islands and heavily loaded highways may require different solutions. The broader scientific implication is that asphalt specifications are becoming multi-objective: deformation resistance must be balanced with fatigue behavior, low-temperature cracking, recyclability, emissions and cost. Climate adaptation is therefore likely to increase demand for technically differentiated binders rather than one standard commodity grade.

5. Physics-Informed AI Is Targeting Fatigue Before Cracks Appear

A new fatigue-prediction approach combines machine learning with established physical understanding of how asphalt mixtures fail. Instead of treating the material as a black-box dataset, the model incorporates engineering constraints and distinguishes between cohesive damage within the mastic and adhesive damage at the mastic-aggregate interface. This matters because two mixtures can reach similar visible cracking states through different internal failure mechanisms, and a model that recognizes those mechanisms can potentially generalize better than purely statistical fitting.

The dual-mode physics-informed neural-network framework is designed to estimate fatigue life under repeated loading before extensive field cracking develops. If vali-

dated across broader mixtures, temperatures and loading histories, this type of tool could reduce the number of expensive trial-and-error experiments needed during mixture design and help engineers screen formulations more efficiently. The most promising role is not autonomous design, but decision support: laboratory data, mechanistic knowledge and AI prediction can be combined to identify high-risk mixtures, optimize testing programs and move pavement engineering toward earlier, mechanism-based failure prediction.

6. In-Place Recycling Turns the Existing Road Into a Raw Material

In-place pavement recycling changes the rehabilitation process by processing the existing road where it lies rather than excavating, hauling and replacing large volumes of material. The old pavement is broken up and recombined with additional aggregate or stabilizing mate-

rial, after which the rehabilitated structure can receive a fresh asphalt surface. The method reduces trucking, virgin aggregate demand, disposal volume and construction time, making it particularly attractive where logistics and material supply are expensive.

The technique also creates a more specialized binder requirement. Depending on the design, emulsified bitumen or foamed bitumen can be used to stabilize reclaimed material and restore workable mechanical properties. Successful application depends on evaluating the existing pavement, moisture, gradation, structural condition and required final performance rather than applying a fixed recipe. Its introduction in Central Asia is significant because it shows circular pavement engineering moving into new markets. The road itself becomes a managed material bank, and rehabilitation becomes a process of upgrading existing resources rather than replacing them wholesale.

Price Analysis

Iran

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

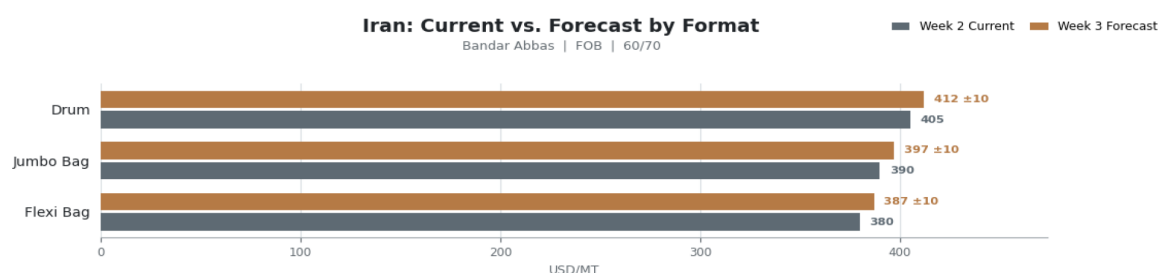
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$380-\$405/MT	+\$7/MT	MILDLY FIRM	HIGH

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Bandar Abbas / FOB	60/70 Drum	405	412 ±10	+7
Bandar Abbas / FOB	60/70 Jumbo Bag	390	397 ±10	+7
Bandar Abbas / FOB	60/70 Flexi Bag	380	387 ±10	+7

MARKET ANALYSIS

Iran's Week 2 structure shows a clear packaging premium, with drummed material at the top of the range and flexi-bag cargo at the bottom. The supplied assessment also flags Gulf shipping risk, payment terms, container and vessel availability, and short offer validity as the main constraints on executable business. In the Week 3 base case, those factors argue for a modest upward reset rather than a sharp move, because logistical and insurance costs can tighten faster than underlying product values. The forecast therefore adds about \$7/MT across formats. Risk remains asymmetric: any deterioration in loading access or insurance conditions could push replacement values above the base case, while improved vessel access would cap the increase.



* Week 3 forecast is an analytical base-case estimate derived from the supplied Week 2 indications and stated market drivers; it is not an official BitumenMag quote.



Russia

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

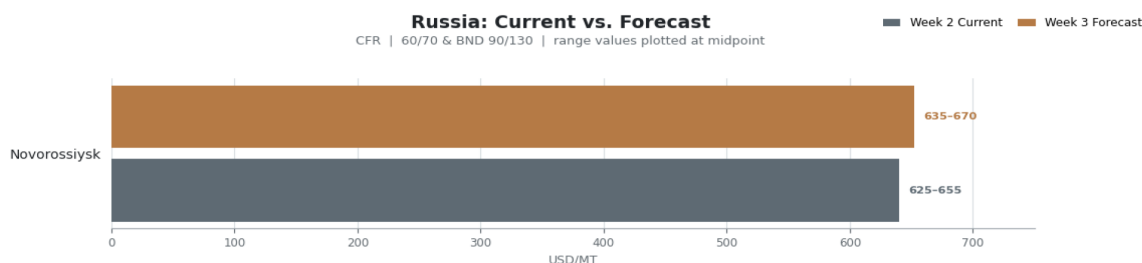
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$640/MT	+\$12.5/MT	FIRM	HIGH

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Novorossiysk / CFR	60/70 & BND 90/130	625-655	635-670	+12.5

MARKET ANALYSIS

Russia is assessed on a delivered CFR Novorossiysk basis linked to Iranian-origin supply, so the price is primarily a logistics equation rather than a simple refinery benchmark. The supplied note highlights freight, transit time, route exposure, insurance, cargo size, and discharge conditions. That combination justifies a wider risk band than in short-haul markets. For Week 3, the base case shifts the range to \$635-670/MT, lifting the midpoint by roughly \$12.5/MT. The upward bias reflects the vulnerability of the Bandar Abbas-to-Novorossiysk route to freight and insurance repricing. If vessel availability improves, the lower half of the range remains workable; if route risk rises, offers are more likely to migrate toward the upper end.



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Singapore

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

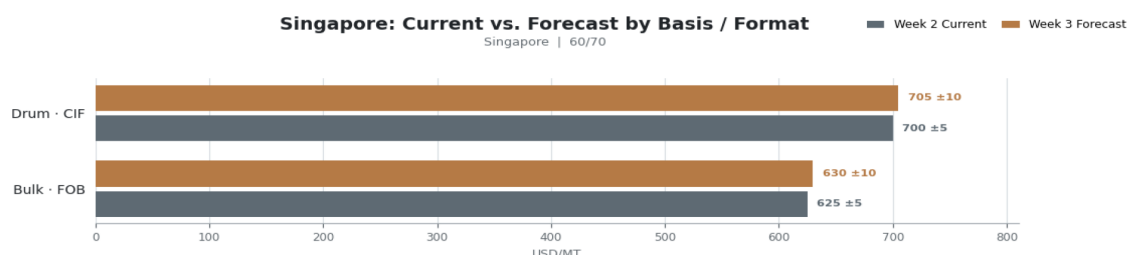
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$625-\$700/MT	+\$5/MT	MILDLY FIRM	MODERATE

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Singapore / CIF	60/70 Drum	700 ±5	705 ±10	+5
Singapore / FOB	60/70 Bulk	625 ±5	630 ±10	+5

MARKET ANALYSIS

Singapore continues to trade as a regional storage, redistribution, and arbitrage hub, and the Week 2 table shows a substantial premium for drummed CIF material over bulk FOB cargo. That gap embeds packaging, freight, and handling economics rather than a pure grade difference. The source notes that Southeast Asian demand, refinery availability, cargo positioning, storage costs, and arbitrage are the key short-term drivers. The Week 3 base case assumes those forces remain balanced but slightly firmer, producing a \$5/MT increase in both benchmarks. This keeps the relative spread intact. A larger move would require either tighter regional refinery availability or a meaningful change in freight, while weaker redistribution demand would favor a flatter outcome.



China

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$600-\$610/MT	+\$4.6/MT	MILDLY FIRM	MODERATE

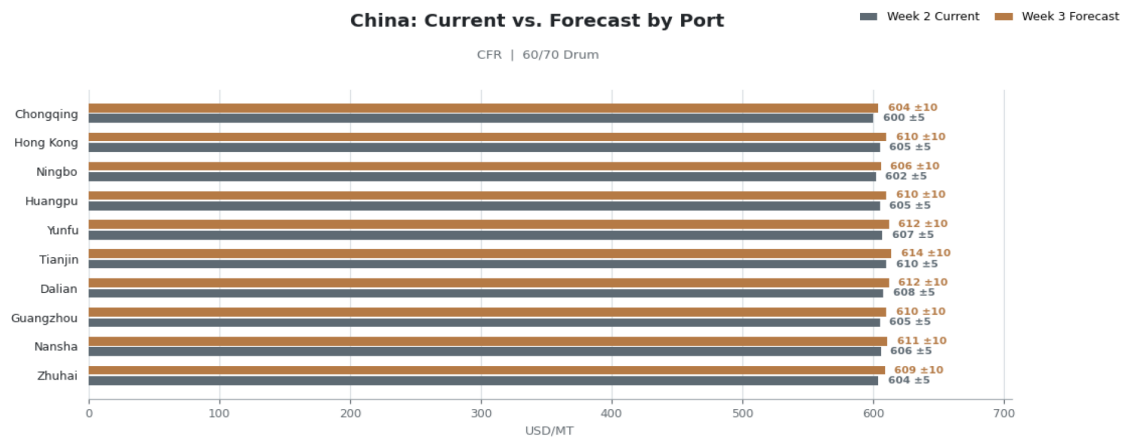
PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Chongqing / CFR	60/70 Drum	600 ±5	604 ±10	+4
Hong Kong / CFR	60/70 Drum	605 ±5	610 ±10	+5
Ningbo / CFR	60/70 Drum	602 ±5	606 ±10	+4
Huangpu / CFR	60/70 Drum	605 ±5	610 ±10	+5
Yunfu / CFR	60/70 Drum	607 ±5	612 ±10	+5
Tianjin / CFR	60/70 Drum	610 ±5	614 ±10	+4
Dalian / CFR	60/70 Drum	608 ±5	612 ±10	+4
Guangzhou / CFR	60/70 Drum	605 ±5	610 ±10	+5
Nansha / CFR	60/70 Drum	606 ±5	611 ±10	+5
Zhuhai / CFR	60/70 Drum	604 ±5	609 ±10	+5

MARKET ANALYSIS

China's Week 2 CFR indications are unusually tight across a broad port set, clustering around the low-\$600s despite major geographic differences. The supplied assessment attributes port-to-port variation to inland logistics, import demand, regional supply balance, cargo timing, payment terms, and congestion. That suggests the market is currently being held together by common import replacement economics, with local delivery costs creating only small differentials. The Week 3 base case therefore uses measured increases of \$4-5/MT rather than a uniform large step. Hong Kong, Huangpu, Yunfu, Guangzhou, Nansha, and Zhuhai are kept slightly firmer, while northern and eastern ports rise more modestly. The key risk is a widening of port spreads if congestion or local demand diverges.

China: Current vs. Forecast by Port





UAE

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

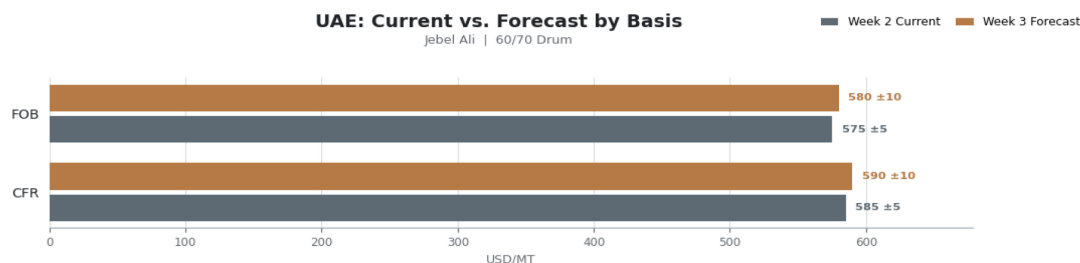
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$575-\$585/MT	+\$5/MT	MILDLY FIRM	MODERATE-HIGH

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Jebel Ali / FOB	60/70 Drum	575 ±5	580 ±10	+5
Jebel Ali / CFR	60/70 Drum	585 ±5	590 ±10	+5

MARKET ANALYSIS

The UAE table presents a clean \$10/MT spread between FOB and CFR Jebel Ali for the same drummed 60/70 grade, making freight and delivery basis immediately visible. The source describes the market as closely linked to Gulf supply, Iranian and regional replacement costs, re-export demand, packaging, loading schedules, and vessel access. For Week 3, the base case adds \$5/MT to both benchmarks and preserves the basis spread. This reflects a market that is firm enough to pass through incremental logistics cost but not yet signaling a structural shortage. Re-export activity is the main swing factor: stronger outbound demand could tighten prompt availability quickly, while easier vessel access or softer regional replacement values would keep offers near Week 2 levels.



Sri Lanka

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

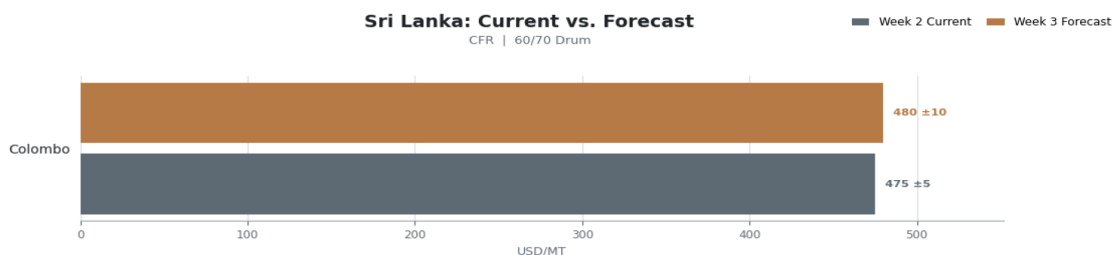
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$475/MT	+\$5/MT	MILDLY FIRM	HIGH

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Colombo / CFR	60/70 Drum	475 ±5	480 ±10	+5

MARKET ANALYSIS

Sri Lanka is a concentrated import market in this assessment, with a single CFR Colombo benchmark. The supplied note emphasizes freight cost, import timing, payment structure, supplier availability, shipping, and insurance, while also noting limited local alternatives. That combination makes the delivered price more sensitive to logistics than the absolute Week 2 number might suggest. The Week 3 base case is \$480 ±10/MT, a moderate \$5/MT increase that assumes no major disruption but allows for wider executable variability. Because the market has fewer local substitutes, even a modest vessel delay or insurance repricing can have an outsized effect on replacement cost. Conversely, a well-timed cargo or more competitive supplier availability could keep transactions near the current center.



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Iraq

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

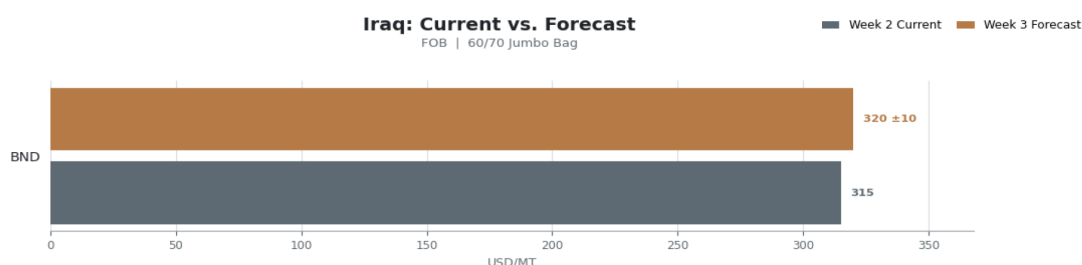
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$315/MT	+\$5/MT	MILDLY FIRM	MODERATE-HIGH

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
BND / FOB	60/70 Jumbo Bag	315	320 ±10	+5

MARKET ANALYSIS

Iraq's Week 2 indication is a low FOB benchmark for jumbo-bag 60/70, and the supplied commentary ties workability to local supply, export handling, packaging conditions, operational constraints, and Gulf shipping risk. Because the quote is FOB, the listed value does not absorb the same delivered freight burden seen in CFR or CIF markets, so local handling and export execution carry greater weight. The Week 3 base case moves to about \$320/MT, with a wider ±\$10 planning band to recognize execution uncertainty. The expected increase is deliberately small: a larger move would require tighter local supply or a deterioration in loading conditions. If export handling remains smooth, the market can stay close to the current level.



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Turkey

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

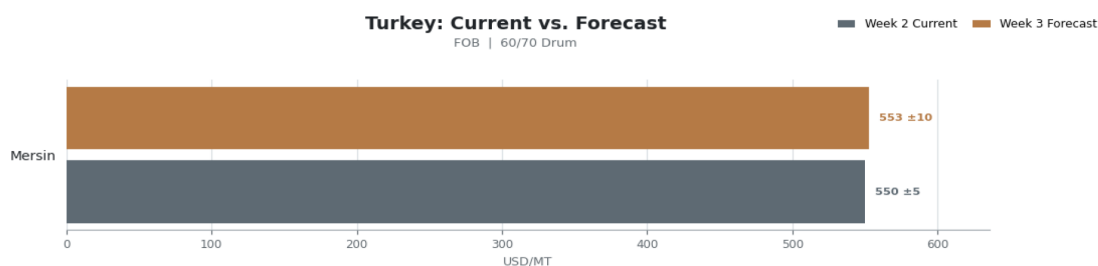
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$550/MT	+\$3/MT	STABLE-TO-FIRM	MODERATE

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Mersin* / FOB	60/70 Drum	550 ±5	553 ±10	+3

MARKET ANALYSIS

Turkey's supplied benchmark is an FOB Mersin assessment for drummed 60/70, with pricing linked to local refinery output, Mediterranean trade flows, and the availability of both land and sea export routes. That mix creates more optionality than in import-dependent destinations, which is why the Week 3 base case is only modestly firmer at \$553 ±10/MT. The forecast assumes regional trade remains active but that no major refinery outage or freight shock emerges. Packaging and buyer-side logistics may still produce deal-specific differences. The main downside to the forecast would be comfortable local refinery availability; the main upside would come from stronger Mediterranean replacement costs or tighter export logistics. *The supplied table spells the port "Mersin," while the narrative uses Mersin.



* Week 3 forecast is an analytical base-case estimate derived from the supplied Week 2 indications and stated market drivers; it is not an official BitumenMag quote.



Australia

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

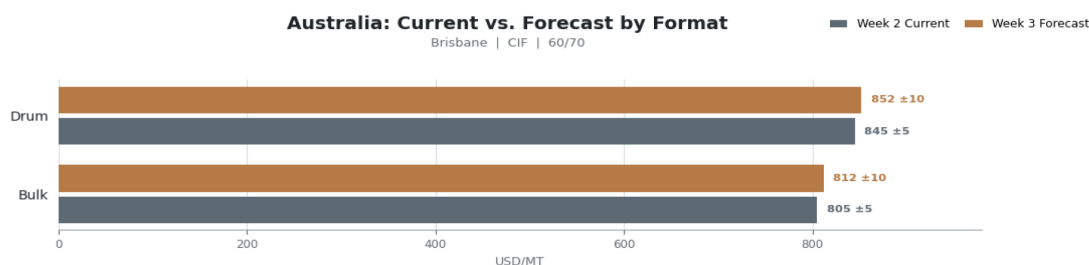
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$805-\$845/MT	+\$7/MT	FIRM	HIGH

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Brisbane / CIF	60/70 Drum	845 ±5	852 ±10	+7
Brisbane / CIF	60/70 Bulk	805 ±5	812 ±10	+7

MARKET ANALYSIS

Australia is one of the highest-priced delivered markets in the supplied set, which is consistent with long-haul freight, import dependence, and limited nearby alternatives. The Week 2 table also shows a \$40/MT premium for drummed material over bulk cargo into Brisbane, highlighting the importance of packaging and handling economics. The source notes that shipment timing can materially change the final landed cost. For Week 3, the base case adds \$7/MT to both formats, preserving the relative premium. This is a moderate move in percentage terms but meaningful in absolute landed cost. Freight and vessel availability remain the dominant upside risks; a softer outcome would require improved cargo positioning or a more competitive regional supply option.



South Korea

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

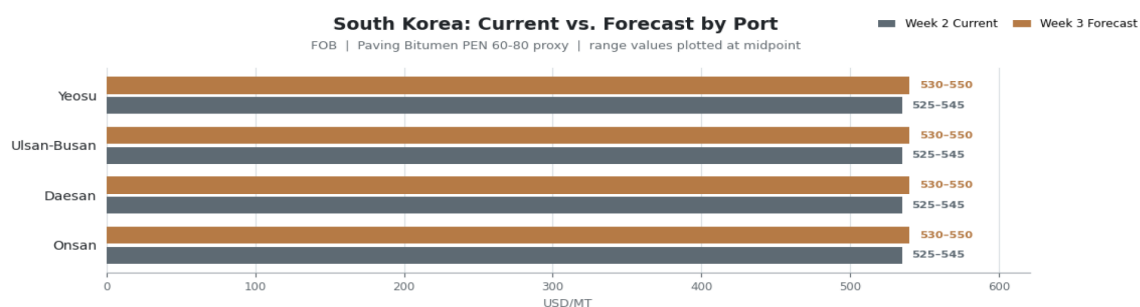
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$535/MT	+\$5/MT	MILDLY FIRM	MODERATE

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Yeosu / FOB	Paving Bitumen PEN 60-80 proxy	525-545	530-550	+5
Ulsan-Busan / FOB	Paving Bitumen PEN 60-80 proxy	525-545	530-550	+5
Daesan / FOB	Paving Bitumen PEN 60-80 proxy	525-545	530-550	+5
Onsan / FOB	Paving Bitumen PEN 60-80 proxy	525-545	530-550	+5

MARKET ANALYSIS

South Korea is presented as an FOB export benchmark from major refinery and port areas, using PEN 60-80 paving bitumen as the nearest 60/70 market proxy. The source specifically points to cargo size, vessel availability, and export allocation as the principal variables around the quoted \$525-545/MT range. For a port-wise presentation, the same benchmark is applied across Yeosu, Ulsan-Busan, Daesan, and Onsan because the supplied source does not provide separate port differentials. The Week 3 base case shifts the common range to \$530-550/MT. A modest firming is appropriate while refinery allocation remains the key constraint; stronger export availability would keep the market near the lower end, while tighter allocation would support the upper end.



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India

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

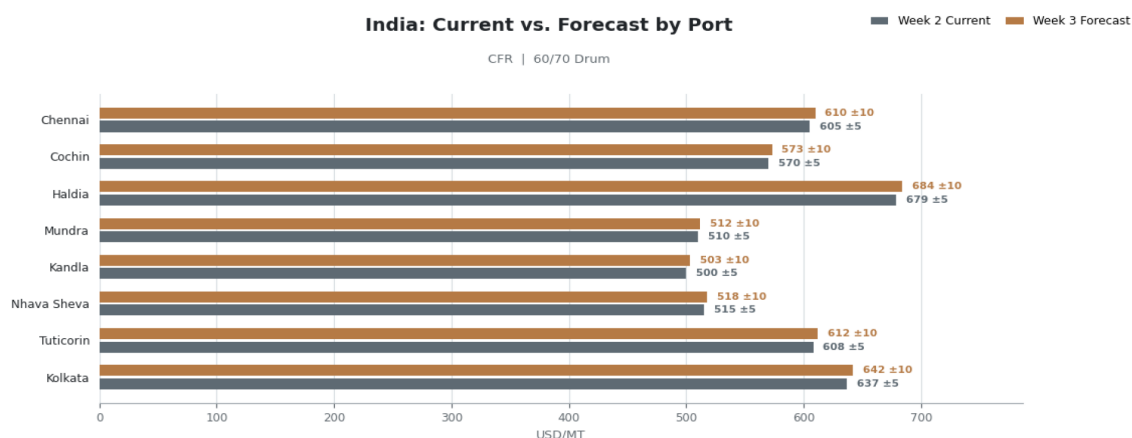
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$500-\$679/MT	+\$3.8/MT	MIXED / FIRM	MODERATE-HIGH

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Chennai / CFR	60/70 Drum	605 ±5	610 ±10	+5
Cochin / CFR	60/70 Drum	570 ±5	573 ±10	+3
Haldia / CFR	60/70 Drum	679 ±5	684 ±10	+5
Mundra / CFR	60/70 Drum	510 ±5	512 ±10	+2
Kandla / CFR	60/70 Drum	500 ±5	503 ±10	+3
Nhava Sheva / CFR	60/70 Drum	515 ±5	518 ±10	+3
Tuticorin / CFR	60/70 Drum	608 ±5	612 ±10	+4
Kolkata / CFR	60/70 Drum	637 ±5	642 ±10	+5

MARKET ANALYSIS

India has the widest port dispersion among the large Asian markets in the supplied data, ranging from roughly \$500/MT at Kandla to \$679/MT at Haldia. The source attributes these gaps to freight, port charges, inland demand, regional supply access, monsoon-related demand patterns, and refinery availability. That argues against a single nationwide forecast. The Week 3 base case therefore applies smaller increases on the western ports and firmer increments on the east and southeast, where delivered replacement economics are already higher. The result is a mixed but upward profile of roughly \$2-5/MT by port. The key analytical point is that India's risk is basis-specific: changes in inland pull or port congestion can widen spreads even if the national average barely moves.



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Malaysia

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

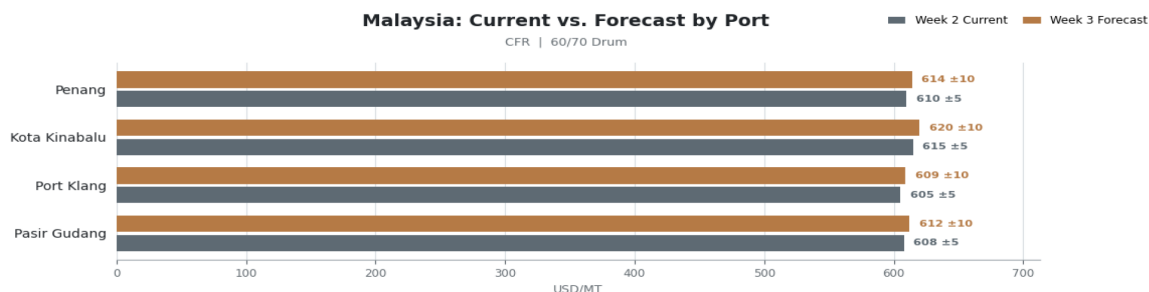
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$605-\$615/MT	+\$4.2/MT	MILDLY FIRM	MODERATE

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Penang / CFR	60/70 Drum	610 ±5	614 ±10	+4
Kota Kinabalu / CFR	60/70 Drum	615 ±5	620 ±10	+5
Port Klang / CFR	60/70 Drum	605 ±5	609 ±10	+4
Pasir Gudang / CFR	60/70 Drum	608 ±5	612 ±10	+4

MARKET ANALYSIS

Malaysia's Week 2 CFR prices form a tight band of \$605-615/MT across four import and distribution points. The supplied note identifies Southeast Asian and Middle Eastern supply, freight, cargo timing, and port-specific demand as the main sources of variation. Kota Kinabalu sits at the top of the range, consistent with a more expensive delivery profile, while Port Klang is the lowest. The Week 3 base case preserves that ranking and adds roughly \$4-5/MT, implying a mildly firmer regional replacement cost rather than a local shortage. The risk of a larger move is moderate because nearby Asian supply provides alternatives, but short-notice freight changes or destination-specific demand can still widen the relatively narrow port spread.



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Vietnam

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

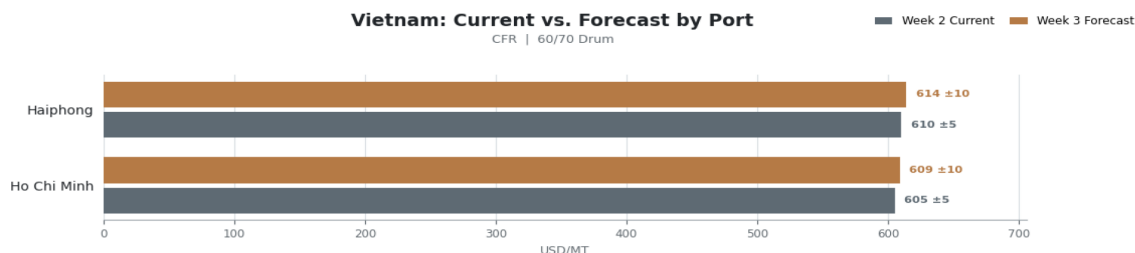
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$605-\$610/MT	+\$4/MT	MILDLY FIRM	MODERATE

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Haiphong / CFR	60/70 Drum	610 ±5	614 ±10	+4
Ho Chi Minh / CFR	60/70 Drum	605 ±5	609 ±10	+4

MARKET ANALYSIS

Vietnam's Week 2 assessment shows only a \$5/MT difference between Haiphong in the north and Ho Chi Minh City in the south. The supplied commentary ties the two-port structure to regional supply availability, construction demand, delivery distance, shipment scheduling, and packaging requirements. The narrow spread suggests that common regional import economics are currently more important than local port differences. The Week 3 base case therefore lifts both locations by \$4/MT and leaves the relative relationship unchanged. This is a stable-to-firm scenario rather than a breakout. Stronger construction pull or tighter regional cargo availability would push both ports higher, while more competitive nearby supply could keep the market close to Week 2 levels.



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Brazil

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

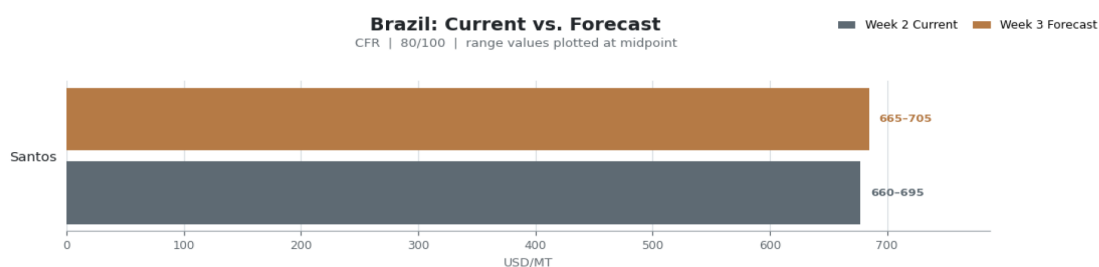
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$677.5/MT	+\$7.5/MT	FIRM	HIGH

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Santos / CFR	80/100	660-695	665-705	+7.5

MARKET ANALYSIS

Brazil's supplied assessment is a CFR Santos range for 80/100 cargo originating from Bandar Abbas, with a stated transit time of 26-32 days. That long supply chain makes the market highly exposed to freight, insurance, vessel availability, cargo size, and the timing of replacement purchases. The Week 2 range is already broad at \$660-695/MT, which signals meaningful execution risk. For Week 3, the base case widens and shifts the range to \$665-705/MT, raising the midpoint by about \$7.5/MT. Because the cargo is long-haul, the forecast should be read as a delivered-cost scenario rather than a local refinery call. Freight or insurance shocks would push prices toward the upper bound quickly.



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South Africa

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

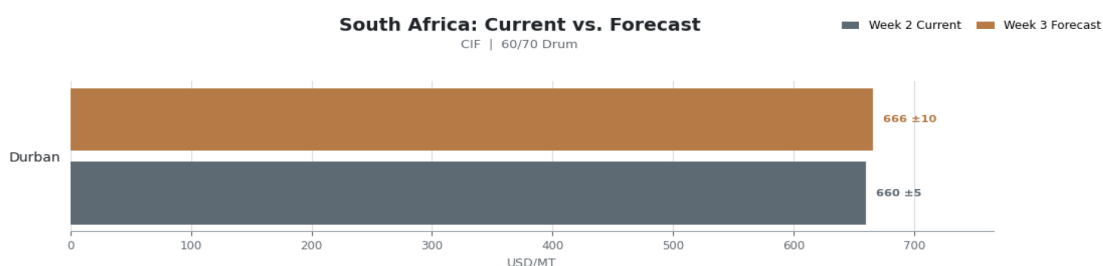
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$660/MT	+\$6/MT	MILDLY FIRM	HIGH

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Durban / CIF	60/70 Drum	660 ±5	666 ±10	+6

MARKET ANALYSIS

South Africa is assessed on a CIF Durban basis, so the Week 2 value directly reflects long-distance freight, regional supply alternatives, and port-side distribution costs. The supplied commentary also notes that shipment timing, packaging, and logistics availability can materially change workability. The Week 3 base case is \$666 ±10/MT, a \$6/MT increase that assumes a slightly firmer landed replacement cost without a major disruption. The relatively wide forecast band is more important than the central increase because Durban pricing can react quickly to changes in vessel timing. If alternative regional supply becomes more competitive, the market could hold near Week 2; if freight tightens, the upper side of the range becomes more likely.



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Germany

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

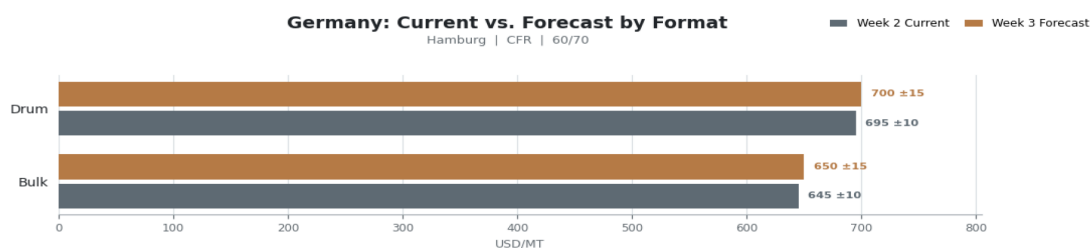
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$645-\$695/MT	+\$5/MT	MILDLY FIRM	MODERATE

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Hamburg / CFR	60/70 Drum	695 ±10	700 ±15	+5
Hamburg / CFR	60/70 Bulk	645 ±10	650 ±15	+5

MARKET ANALYSIS

Germany's Week 2 CFR Hamburg assessment carries a \$50/MT premium for drummed 60/70 over bulk material. The supplied commentary links the delivered market to North European logistics, freight cost, replacement value, port costs, cargo timing, and regional supply availability. The Week 3 base case adds \$5/MT to both formats, keeping the packaging spread unchanged and signaling a mildly firmer import replacement cost. Because the market is delivered, short-term freight and terminal conditions can alter executable prices without a comparable change in refinery values. A tighter regional supply balance would push both formats higher, while better cargo timing or lower freight would make the current Week 2 centers more durable.



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Spain

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

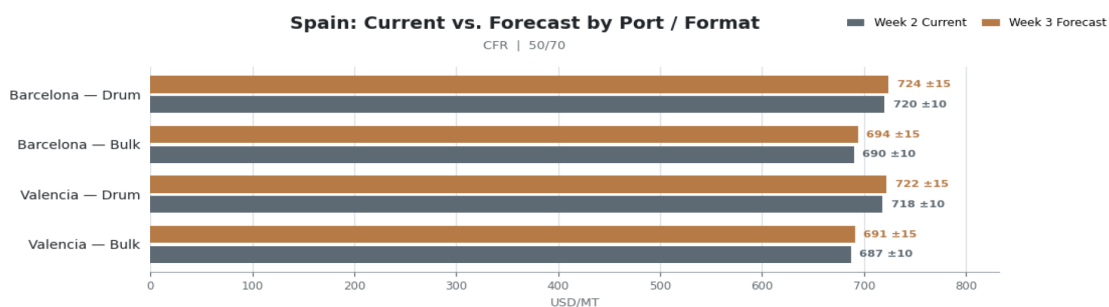
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$687-\$720/MT	+\$4/MT	MILDLY FIRM	MODERATE

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Barcelona / CFR	50/70 Drum	720 ±10	724 ±15	+4
Barcelona / CFR	50/70 Bulk	690 ±10	694 ±15	+4
Valencia / CFR	50/70 Drum	718 ±10	722 ±15	+4
Valencia / CFR	50/70 Bulk	687 ±10	691 ±15	+4

MARKET ANALYSIS

Spain's Week 2 CFR market is tightly aligned between Barcelona and Valencia, while packaging creates a much larger difference than destination. Drummed 50/70 is about \$30/MT above bulk at both ports, and the two-port spread is only a few dollars. The supplied source links pricing to Mediterranean freight, refinery supply, import replacement cost, cargo format, destination, and delivery schedule. The Week 3 base case adds \$4/MT across the matrix, preserving both the port hierarchy and packaging premium. That signals a mildly firmer Mediterranean replacement environment rather than a localized squeeze. The main risk is a freight-driven move that affects both ports simultaneously; refinery availability would be the key counterweight.



Italy

Port-Wise Price Analysis | Week 2 Current vs. Week 3 Forecast

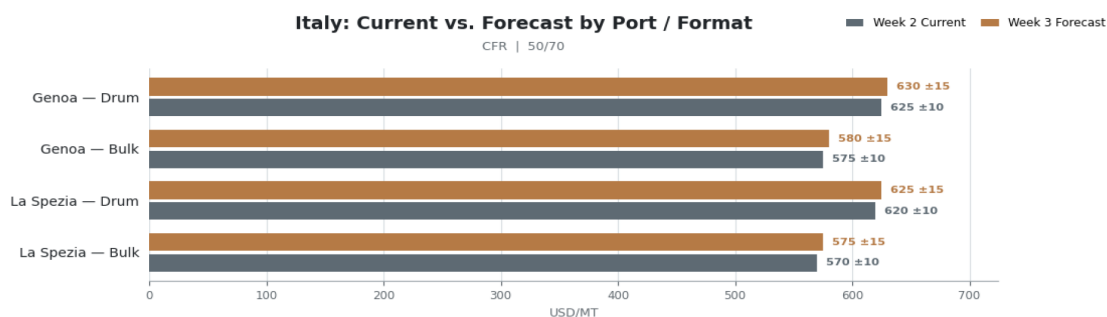
CURRENT RANGE	AVG. W3 CHANGE	OUTLOOK	VOLATILITY
\$570-\$625/MT	+\$5/MT	MILDLY FIRM	MODERATE

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE / FORMAT	W2 CURRENT (USD/MT)	W3 FORECAST* (USD/MT)	Δ USD/MT
Genoa / CFR	50/70 Drum	625 ±10	630 ±15	+5
Genoa / CFR	50/70 Bulk	575 ±10	580 ±15	+5
La Spezia / CFR	50/70 Drum	620 ±10	625 ±15	+5
La Spezia / CFR	50/70 Bulk	570 ±10	575 ±15	+5

MARKET ANALYSIS

Italy's Week 2 CFR 50/70 structure is highly consistent: Genoa carries only a \$5/MT premium over La Spezia, while drummed cargo is \$50/MT above bulk at both ports. The supplied assessment identifies Mediterranean logistics, refinery balance, import replacement cost, discharge port, shipment size, and near-term supply availability as the main drivers. The Week 3 base case adds \$5/MT across all four combinations and leaves the relative spreads intact. This implies a mildly firmer market with no expected structural change in port or packaging economics. The upside risk comes from tighter Mediterranean freight or imported replacement values; the downside case is a comfortable refinery balance and well-timed cargo availability.



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Forecast

Political Forecast

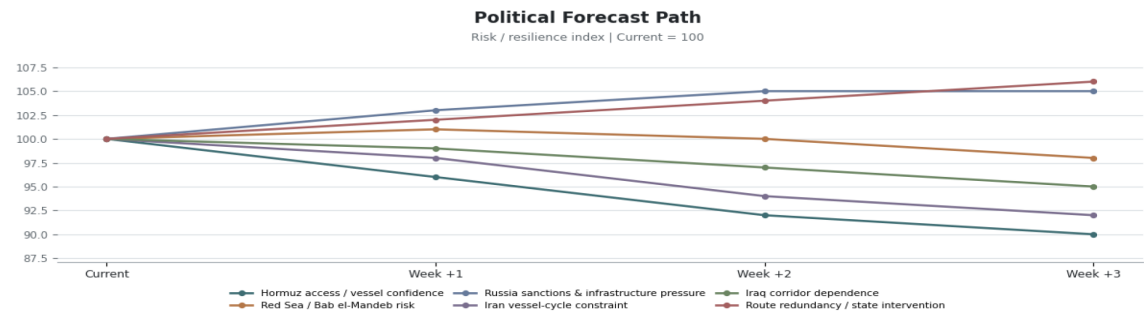
Corridor risk eases unevenly while sanctions, insurance, and route redundancy remain decisive

CORE VIEW

The next three weeks are likely to bring partial normalization rather than a return to pre-disruption conditions. Physical passage can improve faster than commercial confidence, so freight, insurance acceptance, sanctions screening, and vessel rotation should remain the main transmission channels into bitumen trade.

POLITICAL RISK TRANSMISSION INDEX | CURRENT = 100

POLITICAL DRIVER	CURRENT	WEEK +1	WEEK +2	WEEK +3	DIRECTION
Hormuz access / vessel confidence	100	96	92	90	Eases, stays elevated
Red Sea / Bab el-Mandeb risk	100	101	100	98	Persistent / volatile
Russia sanctions & infrastructure pressure	100	103	105	105	Builds gradually
Iran vessel-cycle constraint	100	98	94	92	Slow normalization
Iraq corridor dependence	100	99	97	95	Diversification improves
Route redundancy / state intervention	100	102	104	106	Structural increase



The political base case is a controlled reduction in immediate Gulf transit stress without a full normalization of commercial shipping behavior. The source material makes a critical distinction between a waterway being technically open and being commercially usable. Shipowners, insurers, banks, and cargo owners need several successful vessel cycles before they treat a corridor as normal again. For bitumen, that lag matters more than it does for headline crude benchmarks because heated cargoes, specialized tankers, packaged shipments, and project-specific delivery windows are harder to replace at short notice. In Week +1, therefore, the most likely effect is a modest decline in Hormuz-related risk while insurance and documentation costs remain sticky. By Week +3, passage confidence should be better, but the market is unlikely to remove the full security premium.

The Red Sea and Bab el-Mandeb remain the principal obstacle to a clean rerouting solution. The supplied news synthesis shows that moving traffic away from Hormuz can simply transfer exposure to another strategic corridor. That keeps the political risk map multi-centered: Gulf security, Red Sea security, Suez access, and Mediterranean delivery conditions all interact. The forecast therefore assumes Red Sea risk stays roughly flat in the first two weeks before easing only slightly in the third. This is important for drummed and containerized bitumen because any restoration of selected Red Sea services can improve transit economics, yet operators will still price in the possibility of route changes, crew restrictions, or a renewed security event. The result is not a single geopolitical premium but a portfolio of route-specific premiums.



KEY WATCHPOINTS

Successful tanker rotations through the Gulf	War-risk insurance repricing	Red Sea service restoration or renewed attacks	Sanctions escalation affecting Russian trade	Operational use of Iraq alternative corridors
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WEEK-BY-WEEK BASE CASE

WEEK +1 Managed Gulf normalization begins, but insurers and shipowners remain cautious. Red Sea exposure stays unresolved, so route premiums remain embedded.	WEEK +2 Repeated successful vessel cycles reduce some Gulf risk. Russia-related sanctions pressure remains firm, while Iraq alternative corridors gain incremental credibility.	WEEK +3 Immediate transit risk is lower than today, but the security premium is not fully removed. Route redundancy becomes a structural commercial requirement.
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OUTLOOK ANALYSIS

Russia and Iran are likely to remain the two most persistent political sources of supply-chain uncertainty. Russia faces cumulative pressure from infrastructure attacks, sanctions, and the possibility of broader secondary-trade penalties. Even without an immediate export collapse, those factors can alter refinery maintenance, residue allocation, banking access, and buyer willingness. Iran faces a different mechanism: vessel circulation. Product can exist at the refinery while exports remain constrained if tankers cannot enter, load, depart, and be replaced on schedule. The three-week scenario assumes this vessel-cycle problem improves gradually as operators adapt, but not fast enough to restore full commercial flexibility. Consequently, Iranian FOB values may look relatively competitive while delivered prices continue to carry a logistics premium.

Iraq's strategic response should become more visible over the forecast horizon. Alternative routes through Syria and the Mediterranean do not yet replace established Gulf export infrastructure, but they change bargaining power and reduce the long-run cost of dependence on one chokepoint. At the same time, Saudi and other regional exporters are likely to continue emphasizing route redundancy, storage optionality, and non-Hormuz capacity. The political market signal is therefore two-sided: near-term risk may ease, but state-led investment in redundancy will accelerate because recent disruptions have demonstrated that reliability is itself a strategic asset. For bitumen traders, the best-performing supply chains over the next three weeks will be those that combine multiple loading options, flexible documentation, diversified insurers, and destination alternatives rather than simply offering the lowest FOB number.

Forecast basis: scenario analysis derived from the supplied BitumenMag news synthesis and Week 2 price indications. Forecast values and indexes are analytical estimates, not official BitumenMag quotations or guarantees.



Economic Forecast

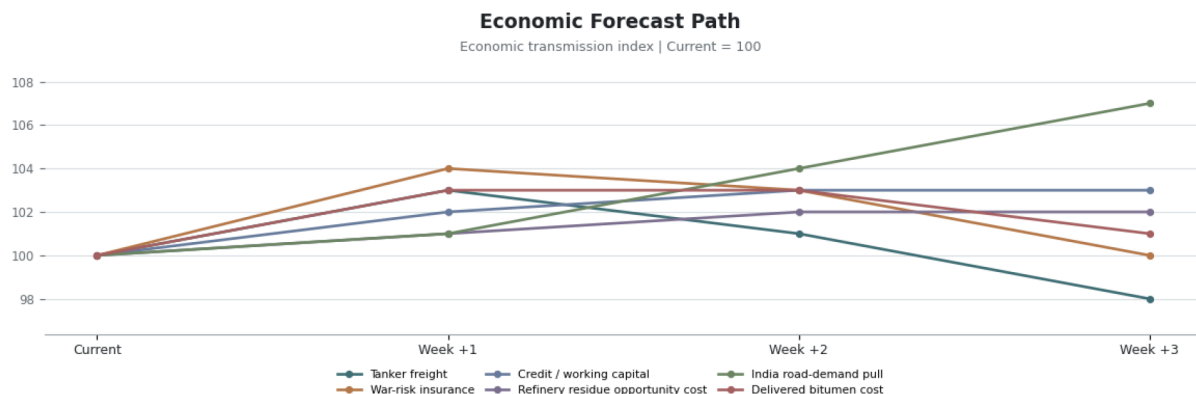
Delivered-cost pressure stays above refinery-price pressure as freight and risk costs normalize with a lag

CORE VIEW

The economic outlook is a widening separation between refinery-origin quotations and the cost of placing usable bitumen at a project site. Freight, insurance, financing, port constraints, and refinery residue economics should dominate the next three weeks more than a broad change in crude-derived base values.

ECONOMIC TRANSMISSION INDEXES | CURRENT = 100

ECONOMIC DRIVER	CURRENT	WEEK +1	WEEK +2	WEEK +3	DIRECTION
Tanker freight	100	103	101	98	Peaks early
War-risk insurance	100	104	103	100	Eases slowly
Credit / working capital	100	102	103	103	Stays firm
Refinery residue opportunity cost	100	101	102	102	Firm / limited
India road-demand pull	100	101	104	107	Strengthens
Delivered bitumen cost	100	103	103	101	Sticky, then moderates



The dominant economic theme is that delivered cost will remain more volatile than refinery price. The source material repeatedly shows that freight can overwhelm small differences in nominal bitumen quotations. Marine carbon charges, vessel positioning, war-risk premiums, low river levels, port handling, and route changes can all alter the landed cost without any corresponding movement in the refinery's base offer. In the first forecast week, tanker and insurance costs are therefore expected to remain firm or even rise slightly as replacement cargoes are fixed under still-cautious operating assumptions. By the third week, freight should begin to soften if route availability improves, but insurance and financing costs are likely to normalize more slowly because underwriters and banks respond to a longer history of successful operations rather than to one favorable headline.

A second economic force is refinery opportunity cost. Strong margins for diesel and other transport fuels can reduce the incentive to allocate heavy residue toward paving-grade bitumen, particularly when refiners have flexible upgrading or blending options. Higher refinery runs in China may increase the absolute amount of residue available, but that does not guarantee a proportional increase in bitumen supply because product-slate economics still determine where the bottom of the barrel is monetized. Over the next three weeks, this should prevent a broad surplus from developing even if crude availability is adequate. The most probable outcome is a market that looks stable on headline prices while remaining tight in specific grades, packaging formats, or delivery windows.

KEY WATCHPOINTS

Tanker availability and voyage rates	War-risk insurance renewals	Chinese refinery run rates and fuel export incentives	India post-monsoon procurement	European logistics and river constraints
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WEEK-BY-WEEK BASE CASE

WEEK +1 Tanker freight and war-risk insurance stay firm as replacement cargoes are fixed conservatively. Delivered cost rises faster than refinery-origin price.	WEEK +2 Freight begins to peak while working-capital and residue opportunity costs remain sticky. India procurement strengthens ahead of improved paving conditions.	WEEK +3 Voyage costs moderate if routes remain open, but India demand is stronger and financing remains firm. Delivered cost stays above its pre-shock baseline.
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OUTLOOK ANALYSIS

India should become progressively more important as a demand-side anchor. The supplied analysis describes positive year-on-year consumption even while monsoon conditions suppress near-term paving activity. That creates a delayed-demand profile: procurement can strengthen before physical roadwork fully accelerates as buyers rebuild stocks, secure vessels, and protect project schedules. The forecast therefore raises the India demand index gradually, with the strongest increase in Week +3. This does not necessarily produce a sharp global price spike, because local refinery supply and regional alternatives can absorb part of the demand. It does, however, support firmer Asian replacement values and increases the premium attached to suppliers that can guarantee timing, specification, and freight.

The market should also become more regional rather than simply tighter or looser. Buyers are assigning greater value to nearby supply, storage access, reliable ports, and shorter chains because reliability has become an economic attribute. Azerbaijan's export growth, Russia's domestic distribution emphasis, and African infrastructure programs all point toward the same structural trend: the cheapest nominal cargo is not always the lowest-cost cargo after delay, financing, demurrage, and project disruption are included. For the next three weeks, larger importers with storage and stronger balance sheets should be able to absorb volatility better than smaller distributors. That will create uneven pricing power, with well-capitalized buyers negotiating around temporary freight spikes while smaller buyers remain exposed to short-term replacement costs.

Forecast basis: scenario analysis derived from the supplied BitumenMag news synthesis and Week 2 price indications. Forecast values and indexes are analytical estimates, not official BitumenMag quotations or guarantees.



Prices Forecast

A mild upward bias is expected first, followed by stabilization as logistics normalize unevenly

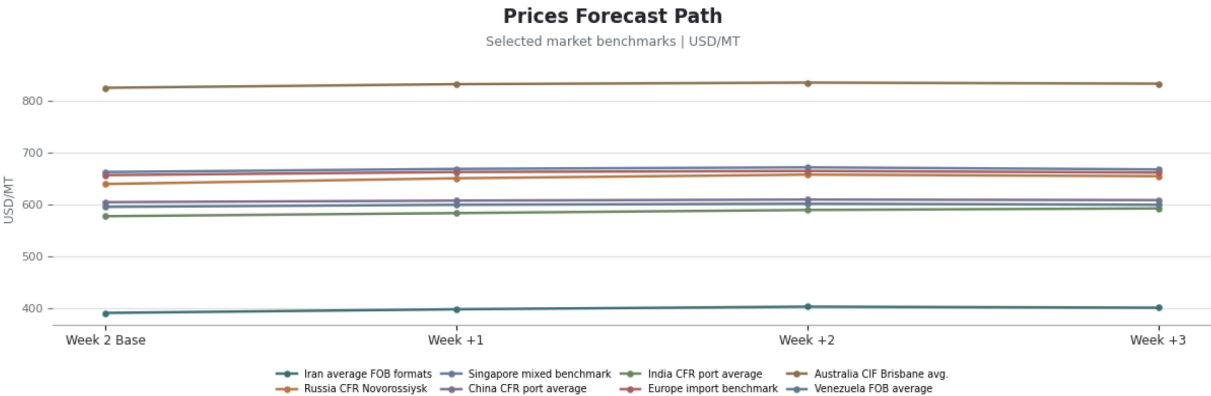
CORE VIEW

The three-week price case is not a uniform global rally. Markets with high freight exposure or strengthening demand should firm more than refinery-linked FOB markets, while improved vessel access can cap gains later in the horizon. The forecast is scenario-based and uses the supplied Week 2 indications as the starting point.

SELECTED BITUMEN PRICE OUTLOOK | USD/MT

MARKET / BASIS	WEEK 2 BASE	WEEK +1	WEEK +2	WEEK +3	THREE-WEEK VIEW
Iran average FOB formats	392	399	404	402	Firm, then flat
Russia CFR Novorossiysk	640	651	658	655	Risk premium persists
Singapore mixed benchmark	663	669	672	668	Early freight support
China CFR port average	605	608	610	609	Mostly stable
India CFR port average	578	584	590	593	Demand-led firming
Europe import benchmark*	657	663	665	662	Replacement-cost support
Australia CIF Brisbane avg.	825	832	835	833	High freight floor
Venezuela FOB average	596	600	602	600	Range-bound

* Europe import benchmark is the simple average of the supplied Germany, Spain, and Italy Week 2 market averages. Market bases differ and are not directly interchangeable.



The price forecast begins with a mild upward bias because the news flow points to logistics costs transmitting into delivered markets with a delay. The Week 2 price sheet already shows wide differences between FOB and delivered assessments, particularly where long-haul freight or route exposure is important. In Week +1, the base case adds modest premiums to most selected benchmarks rather than assuming a synchronized global surge. Iran's average FOB formats are projected to rise from roughly \$392/MT toward \$399/MT as vessel and insurance constraints remain relevant, while Russia's delivered Novorossiysk assessment retains a larger premium because the route combines Iranian-origin replacement cost with long transit, insurance, and sanctions sensitivity. Singapore and Europe also firm initially because they are exposed to shipping, storage, and replacement-cost economics.

Week +2 is the point at which the forecast expects the greatest separation between markets. India continues to strengthen as procurement begins to anticipate post-monsoon road activity, while China remains comparatively stable because higher refinery throughput and multiple port options can offset part of the regional freight pressure. Australia stays expensive on an absolute basis because long-haul import dependence creates a high freight floor, even if the weekly change is limited. Europe remains supported by delivered replacement cost, carbon-related shipping expenses, and inland logistics constraints. These markets therefore do not need a major crude-price rally to stay firm; modest changes in vessel availability, demurrage, port cost, and insurance can sustain elevated landed values.



KEY WATCHPOINTS

Gulf and Red Sea freight premiums	India procurement before post-monsoon paving	Chinese refinery allocation to bitumen vs. fuels	European replacement and logistics costs	Availability of long-haul vessels for Australia and Brazil
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WEEK-BY-WEEK BASE CASE

WEEK +1 Most benchmarks firm modestly as logistics costs transmit with a lag. The move is selective rather than a synchronized global rally.	WEEK +2 Regional divergence is widest: India and risk-heavy delivered markets strengthen most, while China remains comparatively stable.	WEEK +3 Broader stabilization emerges as freight pressure eases. Some markets give back part of the increase, while India retains a demand-led premium.
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OUTLOOK ANALYSIS

By Week +3, the most likely pattern is stabilization rather than continued acceleration. The political scenario assumes some improvement in Gulf vessel confidence and a slight easing of freight stress, so several benchmarks give back a small part of the Week +2 increase. Iran, Singapore, Europe, and Australia flatten or soften marginally in the base case. India is the main exception because demand recovery is expected to become more visible, and reliable cargoes may command a premium as buyers secure material ahead of stronger paving activity. Venezuela remains range-bound because refinery and terminal reliability constrain both upside and downside, while China stays close to its current cluster because its large, diversified port system reduces the probability of a uniform national move.

The principal upside risk is a renewed security event that raises war-risk insurance or disrupts vessel circulation before the market has rebuilt redundancy. Under that scenario, delivered markets could move materially above the base case even if refinery FOB prices remain relatively stable. The principal downside risk is faster-than-expected normalization of Gulf and Red Sea operations combined with adequate Chinese refinery output and subdued construction activity outside India. That combination would reduce freight premiums and pull delivered prices back toward Week 2 levels. The most useful trading interpretation is therefore not 'global prices up' or 'global prices down,' but a three-week period of differentiated regional pricing in which reliability, route length, and demand timing determine the size of each market's premium.

Forecast basis: scenario analysis derived from the supplied BitumenMag news synthesis and Week 2 price indications. Forecast values and indexes are analytical estimates, not official BitumenMag quotations or guarantees.

POLITICAL

Political risk should decline from the immediate peak but remain embedded in commercial decisions. Hormuz access is likely to improve faster than insurer and shipowner confidence, while Red Sea risk and sanctions pressure prevent a full normalization. The practical result is a market that remains dependent on route redundancy, vessel rotation, compliance capacity, and state-backed corridor diversification.

ECONOMIC

Economically, freight and reliability remain more important than small changes in refinery quotations. Tanker and insurance costs should peak early and then moderate, while working-capital pressure and refinery residue competition remain sticky. India adds an increasingly firm demand signal, and the market continues to regionalize around storage, nearby supply, and dependable delivery chains.

PRICES

Prices are expected to show a mild early rise, greater regional divergence in the second week, and broader stabilization by the third. Delivered markets with long routes or strengthening demand should remain firmer than refinery-linked FOB markets. India carries the strongest upward demand bias, while China is comparatively stable and several freight-heavy markets flatten if shipping conditions improve.

FINAL SYNTHESIS

Taken together, the next three weeks are best characterized as a transition from acute geopolitical shock to a more persistent reliability premium. Political conditions may become less visibly dramatic, but insurers, banks, shipowners, refiners, and infrastructure buyers will continue to price the memory of disruption into commercial decisions. That keeps delivered bitumen costs firmer than refinery values, supports regional and shorter-haul sourcing, and favors suppliers with flexible logistics over suppliers competing only on headline FOB price. The base case is therefore a modest firming in the first half of the horizon followed by stabilization, not a broad price spike; the main risk to that view is any renewed corridor disruption that interrupts vessel rotation before freight and insurance markets have fully normalized.

Source basis: BitumenMag news synthesis and Week 2 of August 2026 price indications.



WWW.BITUMENMAG.COM



INFO@BITUMENMAG.COM
+44 7831 423117