



Summary

- **Iranian loadings have managed just 417 kbd so far through July**, marking a decline of 115 kbd against an already weak June finish.
- **Current floating Iranian barrels are holding at 56 mb**, nearly doubling from just two months earlier.
- **Domestic land-based Iranian oil inventories are currently holding at 55.5 mb**, higher by more than 11 mb since early-May.

Iran's Got Problems

Iranian Loadings Slow to a Crawl

Ongoing U.S. - Iranian tensions have done little to improve the Islamic Republic's ability to sell into foreign markets. **Loadings out of the state have managed just 417 kbd so far through July**, marking a decline of 115 kbd against an already weak June finish. Exports are also down by just under 2 mbpd against year ago levels. The Trump Administration indeed appears to be closing in on the desired "zero lower bound" Secretary of State Mike Pompeo made clear was the target in his speech announcing an end to sanctions waivers made in late-April.

The Struggle to Find Buyers

The clearest evidence explaining the quick drop in Iranian loadings to near nil levels through July is the rapid increase in floating barrels on NIOC vessels. **Current floating volumes, most of which remain in the Persian Gulf or in the waters just east of the UAE, are holding at 56 mb**, nearly doubling from just two months earlier.

Amid the rise in floating storage volumes, **China** has quickly become Iran's most important buyer of crude and condensate. In June, 174 kbd of Iranian crude was discharged into China with two-thirds of this volume originally loaded for export after the expiration of Iranian sanctions waivers. **Arrivals have picked up the pace in July with more than 360 kbd flowing into Chinese ports so far on the month.**

Turkey has also shown a proclivity to purchase Iranian crude. The Sinopa discharged 1 mb (34 kbd) into Turkey last month. The vessel originally loaded more than two weeks after sanctions waivers had lapsed. **July arrivals are poised to pick up considerably given estimated imports are holding at 170 kbd**, albeit this estimate could change given the lack of AIS coverage in the Med and the possibility a portion of this volume ends up in Syria.

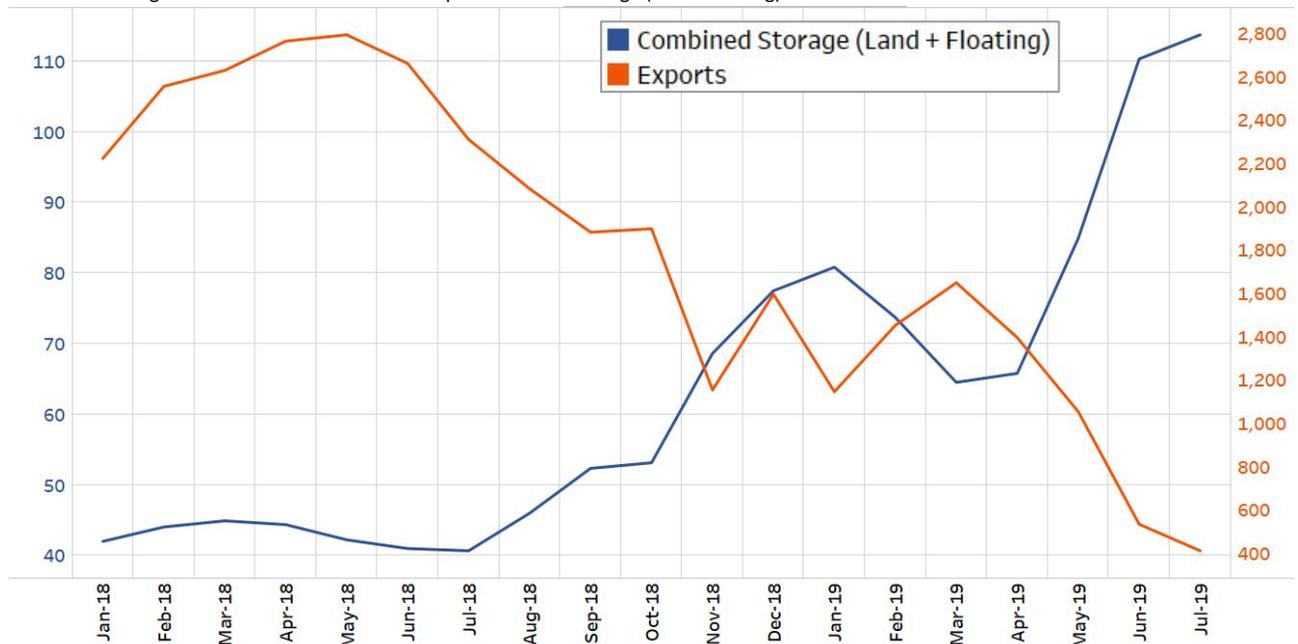
Iranian Land-Based Oil Inventories Push Higher

Iranian land-based oil inventories, both home and abroad, are showing signs of climbing ever higher. This is unsurprising given NIOC vessels are near 100% holding capacity. **Within the Islamic Republic, stored oil volumes are currently holding at 55.5 mb, higher by more than 11 mb since early-May.** Inventories are likely to push higher as Iran holds roughly 100 mb in available domestic storage capacity.

Chinese oil inventories at the **Jinzhou Underground SPR** have also risen as a result of Iranian crude flows. Volumes in the cavern have pushed to 6 mb, up from 3.2 mb in mid-June. The increase is fully the result of Iranian barrels discharged into the facility.

Monthly Iranian Seaborne Loadings (kbd) & Combined Storage (mb)

Seaborne loadings share a clear inverse relationship to combined storage (land + floating)

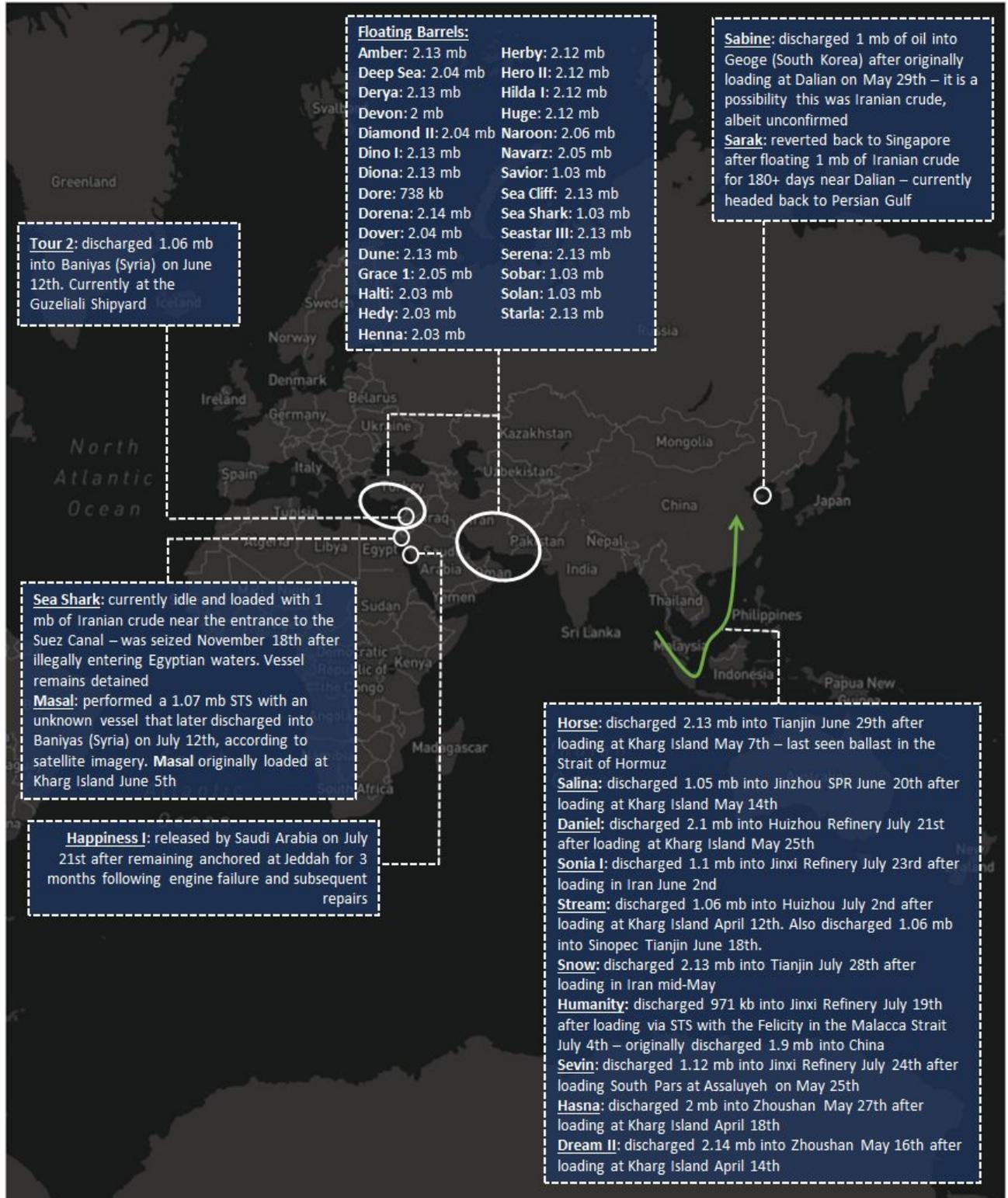


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Map of Selected Iranian Vessel Movements



*Quoted Iranian flows are subject to fluctuation as additional AIS and other data becomes available

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