



WEEKLY REPORT

WEEK 37 - September 18, 2022

War in Ukraine and the ongoing impacts of the pandemic have hampered nations all over the world, but Europe has been affected the worst, with the most significant rise in energy costs, some of the highest inflation rates, and the most critical risk of recession. The war in Ukraine has created a terrifying scenario for the continent, raising the possibility of a financial and economic catastrophe affecting them for the first time in decades.

The problem was exacerbated by the European Central Bank's forceful response to increasing prices on Thursday. It raised its main interest rate by a full percentage point, marking its largest hike in history. It also acknowledged the gravity of the oil crisis and provided a bleak outlook for the region's economy. Natural gas costs have increased eightfold since the start of the war, posing a historic danger to Europe's economic strength, living standards, and social peace and cohesion.

Due to the possible shortages this winter, countries are planning on implementing various strategies such as rolling blackouts, factory closures, and rationing. In response to the financial crisis, numerous nations, notably France, Germany, and Sweden, have announced substantial relief packages to assist families and companies. The cost of these measures, which are anticipated to be costly, is already on the rise. The IMF cautioned this week that growing debt levels in the E.U. might jeopardise the country's economic viability.

Dry Bulk

Potential investors have not shown support for the proposal to decommission Indonesia's coal-fired power facilities. According to Minister of State-Owned Enterprises, Thohir, around US\$600 billion will be required over the next three decades to phase out coal-fired energy. The nation intends to continue utilising coal-fired power facilities for the next ten years. The country will thereafter progressively eliminate its use of fossil fuels over the next two decades. Indonesia, the world's largest coal exporter, derives around 60% of its power from thermal coal.

To promote its energy-transition strategy, the government has held investor meetings in many countries, including Saudi Arabia and the UAE. Nonetheless, no one accepted the country's offer. He stated that Indonesia is also seeking direct investments from developed nations.

The country's position on the issue of coal power has been causing confusion among other nations. As Indonesia prepares to host the G-20 meeting later this year, its stance on the matter is anticipated to be debated.

Capesize:

Last week, the decline in Cape was due to the delayed recovery of iron ore demand in China and supply interruptions. However, later in the week, China's steel and iron ore demand bottomed out and is beginning to show signs of recovery. Construction activity and steel usage will likely grow when the weather improves in the fall. Building operations will accelerate to expedite delays during the heat wave. Pacific r/v saw levels improve to US\$13,450 a week. However, China's zero-covid policy is still in place, adding uncertainty regarding future steel demand. At closing, T/A levels improved slightly to US\$11,500, while Brazil's r/v fell minimally to US\$12,500 daily.

Panamax / Kamsarmax:

The Panamax segment saw a weekly rise of 47% due to a boom in Latin American grain trading as a result of Argentina's soybean export strategy. To encourage soybean exports, the Argentinian government reduced the exchange rate applicable to soybean exports from September 5 to September 30. The country's soybeans were trading at around US\$15~20 per ton, comparable to the U.S. and Brazil's competitors. T/A saw levels in the region of US\$15,000 this week, while F/H was in the range of US\$24,130 a day. Meanwhile, the demand for Australian freight in Asia remained robust. In this region, rates continued to rise, and Indonesia also supplied a healthy cargo volume. Pacific r/v levels were in the region of US\$18,750 a day.

Supramax / Ultramax:

The overall decline remained, although the decline in the second part of the week narrowed due to a strong increase in Panamax. Major routes were added in the Pacific when Panamax grew to a higher level than Supramax. If it continues, it is projected to gain momentum. Pacific r/v settled in the region of US\$ 15,700's improving from last. On the other hand, the Atlantic saw a boost in its momentum as key areas such as the USG started to gain ground. However downward pressure persist as there is still uncertainty in grain trade volume due to disturbance in the Black Sea. T/A levels still persist as levels closed higher at US\$16,850 a day.

Handysize:

The Handysize market began to show indications of comeback after a protracted period of decline. The BHSI has also begun to rise, which is positive indications for the bigger segments. Inter Pacific levels improved as rates were in the region of US\$14,250. ECSA also saw an uptick with an increase in enquiries in the region. T/A levels closed at US\$13,900.

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
HANTON TRADER	ULTRAMAX	63,518	2014	CHINA	24.5	UNDISCLOSED
ULTRA TRUST	ULTRAMAX	61,225	2015	JAPAN	28.0	EAGLE BULK
ASL GRACE	ULTRAMAX	60,259	2015	JAPAN	27.0	UNDISCLOSED
MARVEL	HANDYMAX	48,893	2001	JAPAN	10.5	UNDISCLOSED
AMBER L	HANDYMAX	47,282	2000	JAPAN	9.5	UNDISCLOSED
AQUARIUS 77	HANDY	35,737	2016	CEBU	20.5	UNDISCLOSED
ECO DESTINY	HANDY	35,287	2005	JAPAN	12.7	MIDDLE EASTERN

Dry Bulk Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
CAPE	180,000	64	58	41	31	13
KAMSARMAX	82,000	37	38	32	23	12
SUPRAMAX	56,000	34	37	30	21	10
HANDY	38,000	30	31	27	18	7

*(Amount in USD million)

Baltic Exchange Dry Bulk Indices

BALTIC EXCHANGE DRY BULK INDICES					
	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDI	1,553	1,213	4,275	+28.03	-63.67
BCI	1,519	672	6,420	+126.04	-76.34
BPI	1,990	1,865	3,904	+6.70	-49.03
BSI	1,551	1,475	3,307	+5.15	-53.10
BHSI	905	873	1,861	+3.67	-51.37

BULKER 12 MONTHS T/C RATES AVERAGE (IN USD/DAY)

	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
CAPE	180,000	13,750	13,250	34,250	+3.77	-59.85
PANAMAX	75,000	14,650	14,875	28,750	-1.51	-49.04
SUPRAMAX	52,000	14,500	14,250	29,500	+1.75	-50.85
HANDYSIZE	32,000	13,500	13,500	28,500	0	-52.63

Dry Bulk 1 year T/C rates



Tankers

The E.U. proposed ideas this week to assist struggling individuals and companies in dealing with rising energy costs. Many industrial organisations, though, believed the ideas were insufficient. On Wednesday, the Commission stated that it would put a revenue ceiling on corporations that provide low-cost power and that it would also contribute to the energy issue by collecting more earnings from fossil fuel companies.

According to the Aluminium Association of Europe, the strategy to handle the energy crisis is vital, but it is insufficient. They stated that the emergency measures would not prevent additional production reduction and job losses in the industry. Already several aluminium mills in Europe have already begun to cut capacity due to increased energy costs. The European metals industry asked the government last week to take quick steps to save the sector from imploding. High energy prices have already impacted aluminium output, and the sector is anticipated to contract further.

Fears of a worldwide recession continue to be the most significant issue in oil markets, as bearish sentiment has gained firm control. There are several bullish triggers on the horizon this winter and at the start of 2023, but they are insufficient to divert markets from the current environment. In anticipation of another aggressive interest rate rise at the Fed's meeting next week, sentiment on the oil market is clearly pessimistic, with oil prices poised for a third straight weekly decrease.

VLCC:

The increase in exports from the U.S. for October is boosting overall market conditions in both basins. Meanwhile, the typhoon around the corner has pushed the 270,000mt route Middle East Gulf/China up to WS88 at closing. In the Atlantic, rates for 260,000mt West Africa/China jumped to WS89.

Suezmax:

Slow cargo flow between West Africa and Europe continues with the downward trend start of the week but improved at closing as 130,000mt Nigeria/UKC climbed to WS135. In the Black Sea, rates firmed up this week with aid from the Atlantic. 135,000mt Black Sea to Augusta closed at WS182.

Aframax:

Rates in the Middle East/Southeast Asia segment fell due to a drop in Southeast Asian oil demand, with Aframax rates in the North Sea witnessing a similar substantial decline. 100,000mt Primorsk to UKC fell 2.5 points to WS177.

Clean:

This week, there were no new LR1 inquiries in the UKC/Med. However, TC5 saw levels rise to around WS240 before falling down to the upper WS230s at closing. Meanwhile, the LR2 market remained unchanged. This week has seen a boost in activities in the West.

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
TEMA	VLCC	311,620	2005	JAPAN	34.0	UNDISCLOSED
ABQAIQ	VLCC	302,986	2002	S. KOREA	30.7	UNDISCLOSED
LILA GUANGZHOU	SUEZ	159,149	2004	CHINA	23.0	UNDISCLOSED
PIPER	AFRA	114,809	2005	S. KOREA	28.0	MIDDLE EASTERN BUYERS
ALBA	AFRA	113,782	2005	S. KOREA	31.5	UNDISCLOSED
STI ROSE / STI RAMBLA / STI BROOKLYN / STI VILLE	MR	109,999 49,990	2015	S. KOREA	N/A	SCORPIO TANKERS
ENERGY CHALLENGER	LR1	70,675	2005	S. KOREA	16.0	UAE BASED
STI TEXAS CITY / STI MERAUX / STI BATTERSEA / STIWEMBLEY	MR	49,990	2014	S. KOREA	N/A	SCORPIO TANKERS
ASTREA	MR	40,158	2006	S. KOREA	15.6	UNDISCLOSED

Tankers Values

(Weekly)

TANKERS	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
VLCC	310,000	120	114	87	62	36
SUEZMAX	160,000	80	80	60	43	23
AFRAMAX	115,000	61	72	57	42	23
PANAMAX-LR1	73,000	53	55	42	28	14
MR TANKER	51,000	43	46	40	29	13

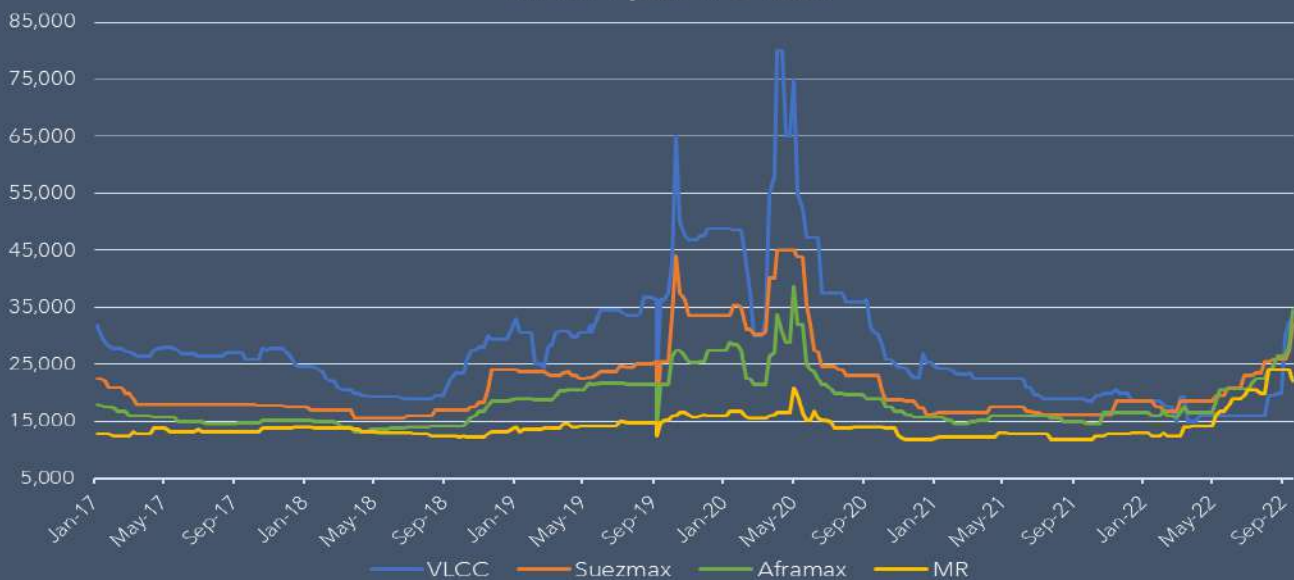
*(amount in USD million)

Baltic Exchange Tanker Indices

BALTIC EXCHANGE TANKER INDICES					
	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDTI	1,492	1,416	608	+5.37	+145.39
BCTI	1,255	1,214	480	+3.38	+161.46

TANKER 12 MONTHS T/C RATES AVERAGE (IN USD/DAY)						
TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
VLCC	300,000	37,000	32,250	19,000	+14.73	+94.74
SUEZMAX	150,000	32,000	32,000	16,250	0	+96.92
AFRAMAX	110,000	34,250	34,500	15,000	-0.72	+128.33
LR1	74,000	30,500	30,500	14,750	0	+106.78
MR	47,000	24,250	22,000	11,750	+10.23%	+106.38

Tanker 1 year T/C rates



Containers

The World Container Index (WCI) fell further on Tuesday, marking its 200th day below US\$5,000. Since February 24, the index has been decreasing. In part due to the increase in strikes and delays in the global supply chain. Consumer confidence in the U.S. has remained low historically, and furthermore, the inflation forecast remains bleak. Rates from Shanghai to the U.S. have plummeted by a double-digit percentage, while rates from L.A. to Shanghai fell by around two-thirds. China's rates, on the other hand, have fallen by roughly 40%.

Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
OSAKA	PANAMAX	4,506	2008	S. KOREA	60.0	UNDISCLOSED

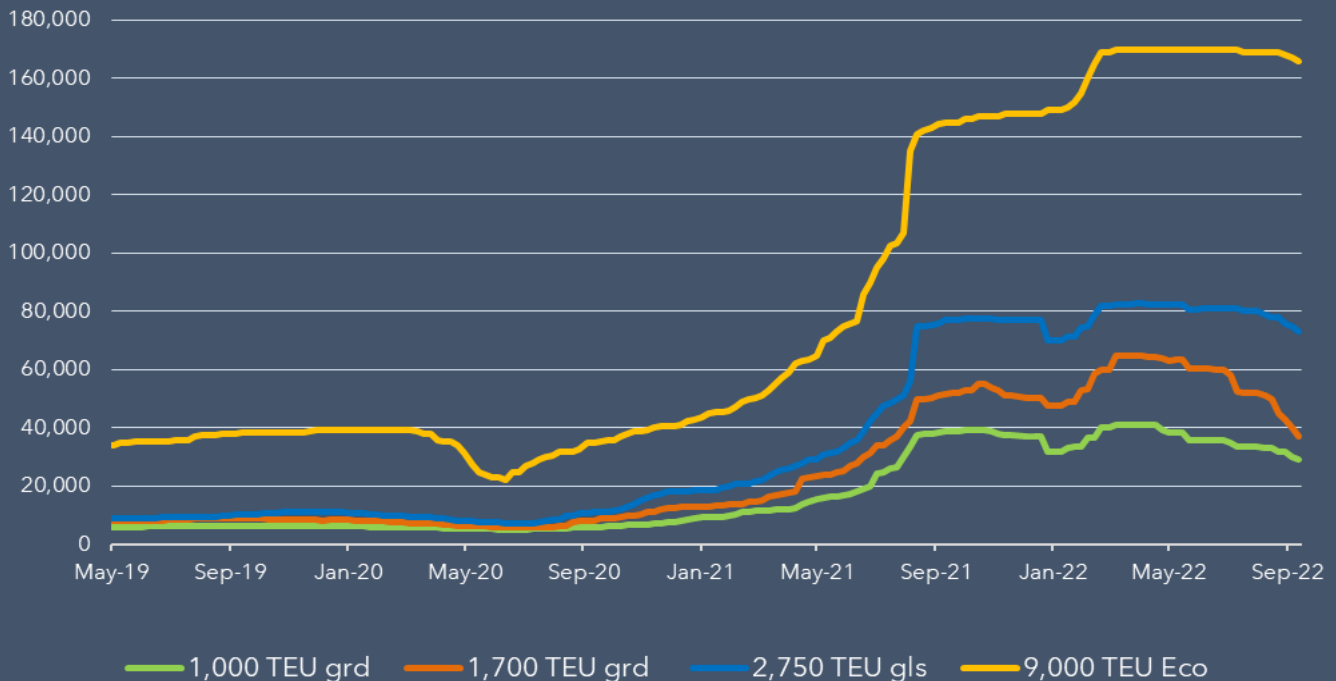
Containers Values

(Weekly)




CONTAINERS (by TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 - 1,200	Gearless	24	32	27	23	18
1,600 - 1,800	Gearless	29	45	42	34	27
2,700 - 2,900	Gearless	43	55	53	51	47
5,500 - 7,000	Gearless	85	175	163	135	N/A

**(amount in USD million)*

Container 6-12 months T/C rates



Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
ALANG (WC INDIA)	570 ~ 580	560 ~ 570	570 ~ 580	610 ~ 620	STABLE / 
CHATTOGRAM, BANGLADESH	620 ~ 630	600 ~ 610	620 ~ 630	620 ~ 630	STABLE / 
GADDANI, PAKISTAN	580 ~ 590	570 ~ 580	550 ~ 560	600 ~ 610	WEAK / 
TURKEY *For Non-EU ships. For E.U. Ship, the prices are about US\$30-40/ton less	320 ~ 330	310 ~ 320	300 ~ 310	350 ~ 360	STABLE / 

- All prices are USD per light displacement tonnage in the long ton.
- The prices reported are net prices offered by the recycling yards.
- Prices quoted are basis simple Japanese / Korean built tonnages trading units. Premiums are paid on top of the above-quoted prices based on quality & quality of Spares, Non-Fe., bunkers, cargo history, and maintenance.

5-Year Ship Recycling Average Historical Prices

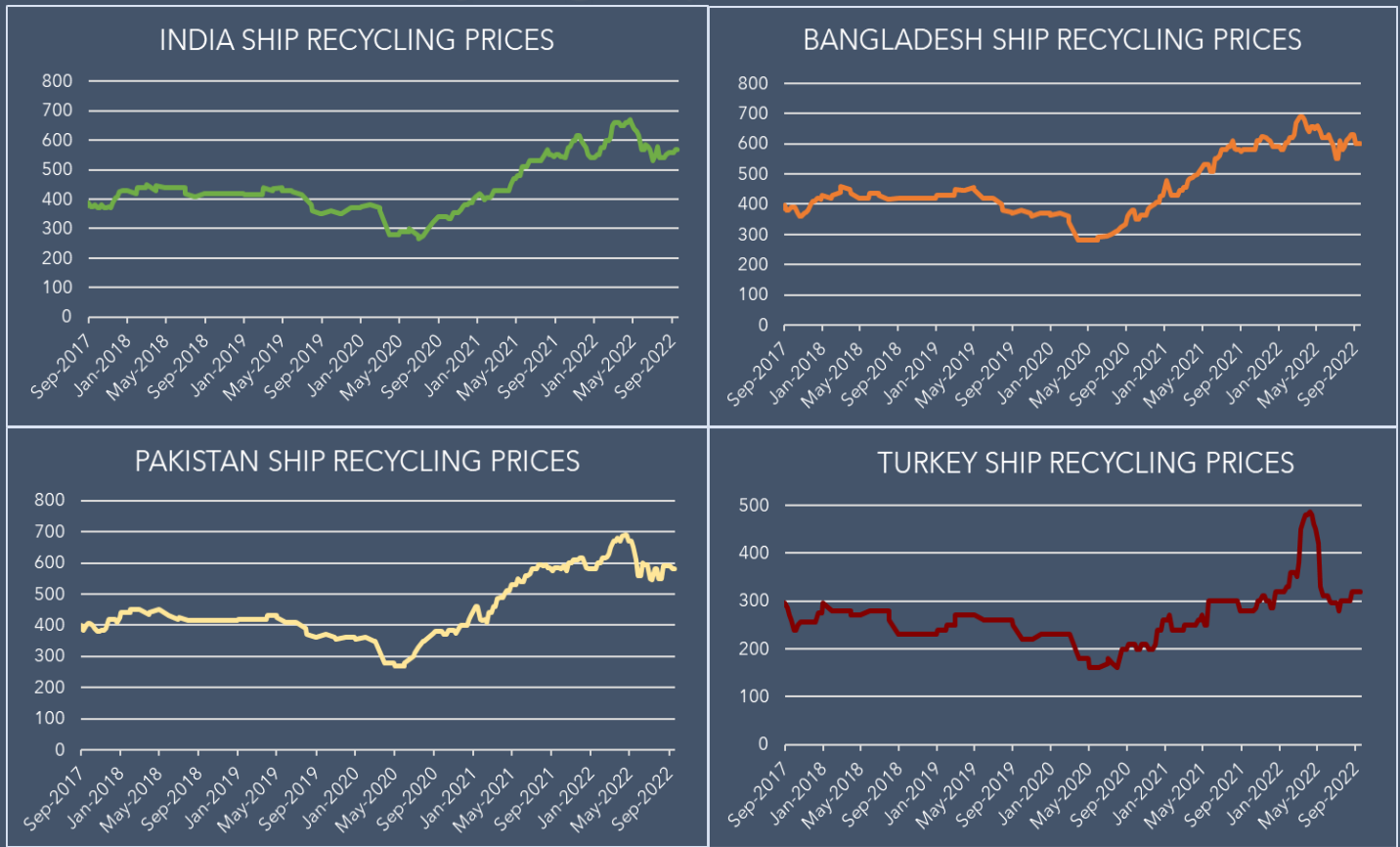
(Week 30)

DESTINATION	2017	2018	2019	2020	2021
ALANG, INDIA	375	445	360	350	580
CHATTOGRAM, BANGLADESH	410	425	370	350	600
GADDANI, PAKISTAN	425	430	360	360	590
ALIAGA, TURKEY	210	260	230	210	290

Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (USUS\$/LDT LT)	COMMENTS
SEARCHICH	1,778	1992 / S. KOREA	TANKER	670	DELIVERED CHATTOGRAM / STAINLESS STEEL CONTENT
DAWN LUCK	2,012	1991 / JAPAN	TANKER	670	DELIVERED CHATTOGRAM / STAINLESS STEEL CONTENT
BO YANG	3,523	2003 / CHINA	TANKER	640	DELIVERED CHATTOGRAM
CHEVAL BLEU	21,882	1995 / JAPAN	TANKER	615	DELIVERED ALANG / GADDANI

Recycling Ships Price Trend



Insights

This week, the unstoppable strength of U.S. dollar took center stage. The dollar has gained 15% against a basket of currencies this year. With only one week until the next Fed meeting, investors are already pricing in a 25% likelihood of a rate rise. The dollar's strength against other currencies is boosting the bulls. The World Bank warned on Thursday that the global economy is on the cusp of a recession due to high-interest rates and slowing growth. While the Federal Reserve meeting will be the focus next week, investors will also be watching the Bank of Japan and the Bank of England.

Meanwhile, in the E.U., the views of two members of the European Central Bank's monetary policy committee on the extent of future rate hikes are diametrically opposed. Both expressed opposing opinions on the necessity for another rate hike. Investors are nonetheless concerned about the possible impact of a slowing growth rate on the global economy.

In the coming week, the focus will be on how things shape up with the FED's interest rate decision, as importers are extremely worried about the strength of the U.S. dollar.

In China, local governments have implemented various steps to help the country's housing market in response to mounting worries about the country's housing market. However, new-home prices in the country continued to decrease in August. This week, another blow came to metal trading companies when JPMorgan Chase & Co and ICBC Standard Bank PLC announced they are cutting back on financing to China's troubled metal trade, adding pressure to a sector that is already hard hit by a struggling economy.

ALANG, INDIA

Another uneventful week for the Alang markets due to the scarcity of ships available for recycling. The domestic demand was seen picking up as the festive season was around the corner, and limited inventories at the shipyard kept the activities lull.

Steel mills in India were ramping up booking scrap cargoes from Europe and UAE as mills wanted to resume restocking ahead of the festive season, which has kept the momentum and prices stable.

The coming week will be crucial for the importers as they watch the FED's interest rate decision; knee-jerk effects are expected.

Anchorage & Beaching Position (September 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
ARISTOTLE	FISHING TRAWLER	5,065	16.09.2022	AWAITING
ALBATROSS 1	TUG	1,275	08.09.2022	11.09.2022
PRISCO BRAVO	TANKERS	2,564	28.08.2022	09.09.2022
ABA 1	DRILLSHIP	11,148	30.08.2022	09.09.2022
MAESTRO UNIVERSE	RORO	5,377	30.08.2022	09.09.2022
MALAVIYA TEN	OFFSHORE	1,969	25.08.2022	03.09.2022

CHATTOGRAM, BANGLADESH

This week the markets have shown significant improvement in the prices and demand for smaller ships valued upto US\$2.5 million. As the inventories dry up and to keep the activities at the yard ongoing, recyclers were paying premiums for smaller ships, although the demand for finished products has been stagnant due to the liquidity crunch.

Due to ongoing banking issues, the price gap between smaller tankers and larger ones was now to the tune of US\$20~30/ton.

The week also saw some improvements in the domestic ship scrap prices as mills resumed their restocking after a turbulent August.

Anchorage & Beaching Position (September 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
BONVOY 8	TANKER	3,348	14.09.2022	AWAITING
OCEAN 02	TUG	2,394	07.09.2022	12.09.2022
VICTORY	FISHING	3,153	07.09.2022	11.09.2022
GANGWON 1	RORO	11,253	03.09.2022	10.09.2022
WINTON T128	BULKER	975	23.06.2022	AWAITING
ARIANA	TANKER	15,672	22.06.2022	AWAITING
GALA	TANKER	16,884	01.03.2022	AWAITING

GADDANI, PAKISTAN

The rupee, which has been plunging for more than two weeks, sank by 8.5% versus the dollar in early interbank trade on Friday. The PKR finished at Rs236.84 per dollar.

According to FAP Chairman Malik Bostan, the rising import bill is the main reason behind the decline of the rupee. He urged the government to ban the import of luxury and non-essential

items. He also warned that if the government did not interfere, the country's currency might fall to Rs250 per dollar. He asked the government to urge friendly countries to lend money to the country. The increased demand for dollars on the open market has led the currency's value to fall. Furthermore, the Umrah season has attributed to the surge in demand.

This has caused another shock to the recycling industry, which has been recently battered by heavy floods.

Overall, ship recyclers remained on the sidelines until the domestic situation settled, especially the weakening of the local currency and reconstruction of damaged roads and bridges leading to shipyards.

Anchorage & Beaching Position (September 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

ALIAGA, TURKEY

Due to the extremely low level of sales in both the export and local markets, Turkish rebar manufacturers were compelled to reduce their rebar prices. Although scrap costs have declined at a faster rate, this has not been reflected in rebar pricing. This is owing to sluggish demand for rebar, production curtailment, and the anticipation of more energy price increases.

However, current scrap prices do not permit mills to reduce their [rebar] pricing to these levels due to significant manufacturing expenses. Under the present market conditions, scrap prices should drop below US\$300/t CFR Turkey. No new orders for scrap have been reported, and both Turkish mills and scrap suppliers are resisting existing pricing.

BEACHING TIDE DATES 2022

Chattogram, Bangladesh : 25th Sept ~ 28th Sept. | 8th Oct. to 11th Oct.

Alang, India : 24th Sept. ~ 02nd Oct. | 7th Oct. ~ 15th Oct.

Bunker Prices

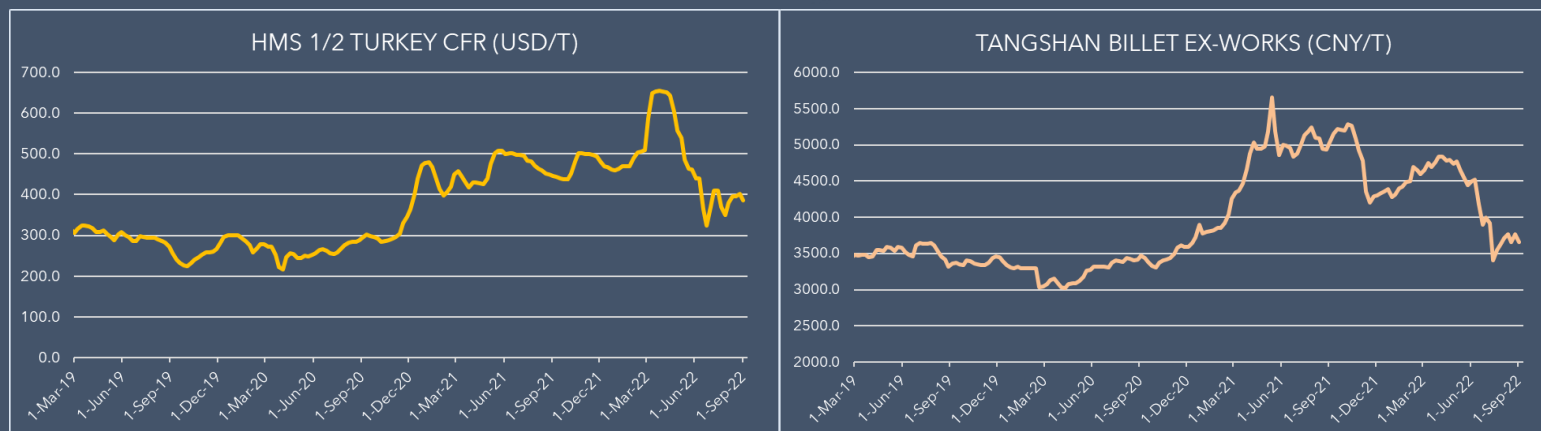
BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	IFO380 CST	MGO (0.1%)
SINGAPORE	696	411	936
HONG KONG	712	459	977
FUJAIRAH	715	439	1246
ROTTERDAM	679	443	976
HOUSTON	689	473	1000

Exchange Rates

EXCHANGE RATES			
	16th SEPTEMBER	9th SEPTEMBER	W-O-W % CHANGE
USD / CNY (CHINA)	6.98	6.92	-0.87%
USD / BDT (BANGLADESH)	104.25	95.02	-9.71%
USD / INR (INDIA)	79.68	79.60	-0.10%
USD / PKR (PAKISTAN)	238.39	229.59	-3.83%
USD / TRY (TURKEY)	18.26	18.23	-0.16%

Commodity Price

HMS 1/2 & Tangshan Billet



Iron Ore

COMMODITY	SIZE / GRADE	PRICE	CHANGE W-O-W	CHANGE Y-O-Y	LAST WEEK	LAST YEAR
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	US\$103	+0.98%	+5.1%	US\$102	US\$98
Iron Ore Fines, CNF, Rizhao, China	Fines, Fe 62% (Australia Origin)	US\$101	1.0%	-4.7%	US\$100	US\$106

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	353.80	+4.80	+1.38%	Dec 2022
3Mo Copper (L.M.E.)	USD / MT	7,729.50	-73.50	-0.94%	N/A
3Mo Aluminum (LME.)	USD / MT	2,307.50	+37.00	+1.63%	N/A
3Mo Zinc (LME.)	USD / MT	3,186.50	-43.00	-1.33%	N/A
3Mo Tin (LME.)	USD / MT	20,810.00	-367.00	-1.73%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	85.27	+0.17	+0.20%	Oct 2022
Brent Crude (ICE.)	USD / bbl.	91.50	+0.66	+0.73%	Nov 2022
Crude Oil (Tokyo)	JPY / kl	71,530.00	-450.00	-0.63%	Feb 2023
Natural Gas (Nymex)	USD / MMBtu	7.79	-0.53	-6.40%	Oct 2022

Note: all rates as at C.O.B. London time September 16, 2022

This report is performed to the best of our knowledge based on the market conditions prevailing at the time mentioned. The report relates solely to the date/place referred to, and we emphasise that it is a statement of information collected from various market sources. All details above are from information given to us and such information as we have obtained from relevant references in our possession. Still, we can accept no responsibility, and we bear no liability for any loss or damage incurred to any persons acting upon this report. STAR ASIA believes the information to be accurate and given in good faith but without guarantee. STAR ASIA will not be held responsible in any way for any action or failure to act based on the information given in this report. The use of report cannot be reproduced or used without authorisation from STAR ASIA.