



WEEKLY REPORT

WEEK 41 - October 16, 2022

As the Covid-19 outbreak in China persists, President Xi Jinping will reveal his virus-control strategy at the country's next party congress. The question is how long these efforts will be effective. Many in the country have been supportive of the measures since the first case was detected in Wuhan, but signs are emerging that their tolerance is wearing thin.

Despite the paucity of accurate surveys on the Chinese public's attitude toward the virus, more criticism has begun to surface concerning the government's tactics. Some of complaints have been raised about the frequent PCR tests and lockdowns.

In response to the growing public sensitivity, officials have started to soften the terms of the lockdowns, which were previously used to describe the measures. Instead of "lockdown," they have been using terms such as "static management" and "pressing the pause button.

The upcoming party meeting is a crucial one and shall give directions of how the world's second-largest economy will shape up in the months to come.

Dry Bulk

As we enter the last quarter of 2022, the Baltic Indices gained momentum, hovering at two-month highs. Despite the recent rise in the market, many participants are still not optimistic about the outlook for the Capesize sector. Various global economic factors, such as interest rates and war, are expected to continue affecting the market's perspective.

Dry bulk vessels are not being utilised in China, which is the primary demand region. The Covid-related issues and the property market's potential recovery are also contributing to the uncertainty in the market.

On the other hand, smaller vessels are still profitable, with spot prices for Supramax and Panamax vessels at high levels.

Meanwhile on Thursday, the price of iron ore fell as anticipation that China might relax its zero-covid policy waned. Futures markets were also negatively impacted by the country's stringent measures. On the spot market in Northern China, 62% Fe fines were selling for US\$94.86 PMT, a decrease of 1.19% from the previous day. The most actively traded iron ore contract on the country's primary market, the Dalian Commodity Exchange, closed the day down 2.5% at 696 yuan.

China's Huatai Futures said that although they are not overly pessimistic about the market, they expect the situation to get worse due to the country's macroeconomics. However, they noted that the reduction in steel production could help support prices.

Capesize:

Despite a decline in contract activity due to China's National Day, demand for vessels from Brazil's iron ore remains strong, owing to tight supply in the Atlantic basin. Overall T/A saw levels in the region of US\$23,500 a day, falling slightly from last week. The rise in iron ore exports as a result of improving weather conditions in Brazil and the revival of crude steel production in China are positive factors for market circumstances. However, China's zero-Covid policy still remains in place. Opinions on the future outlook remain divided. The Chinese government is expected to retain the policy until March of next year. Pacific r/v levels slipped to US\$ 12,600's region.

Panamax / Kamsarmax:

The Panamax segment saw some improvements from last due to demand for grain exports from the Atlantic and a rebound in coal traffic to Europe. Brazilian corn exports remained strong with currency's depreciation versus the dollar. The Atlantic basin is likely to see a downtrend this week as a result of the mounting strain. T/A saw levels this week at US\$18,250 a day, slight discount from last week. Market circumstances are projected to remain favourable for some time, owing to new shipments of new soybean grains and seasonal coal demand in the northern hemisphere. Pacific r/v still firm around US\$ 17,250's region while Inni r/v lost slight traction with levels in the region of US\$15,750.

Supramax / Ultramax:

Despite recent tensions between Russia and Ukraine, the Black Sea continues to offer consistent grain exports. Ukraine's grain exports in September were 4.28 million tonnes, a 24% decrease compared to the previous year but the highest monthly amount since the Russian invasion. U.S.G. and Latin America also performed well, owing to robust exports of fresh soybeans and maize, respectively. Levels in the the T/A saw slight uptick settling at US\$ 19,300's a day. For the foreseeable term, the Atlantic basin remains robust, while the Pacific continues to support large coal importers such as China and India. F/H also did fairly well with levels in the region of US\$ 23,250's.

Handysize:

In the Pacific, offers fell in response to restricted demand caused by the increase in tonnage. Inter Pacific saw levels in the region of US\$13,695 a day. Despite BHSI's unfavorable movements, certain Atlantic regions have shown indications of recovery. T/A saw levels closed around US\$14,950. Limited traffic in the Atlantic and Mediterranean also sustained levels.

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
AGIA TRIA	CAPE	185,820	2002	JAPAN	15.0	BEKS
D SKALKEAS	POST PMAX	93,281	2011	CHINA	19.0	UNDISCLOSED
BELLATRIX	PANAMAX	77,053	2006	JAPAN	14.5	VERITAS
NORD BARENTS	ULTRAMAX	62,625	2019	JAPAN	33.3	GREEK BUYERS
BERGE TRONADOR	ULTRAMAX	61,087	2020	CHINA	32.8	GREEK BUYERS
TERESA OETKER	SUPRAMAX	58,018	2010	CHINA	16.0	GREEK BUYERS
OCEAN ADVENTURE	SUPRAMAX	57,814	2015	JAPAN	22.8	JAPANESE BUYERS
LODESTAR PACIFIC	HANDY	33,393	2015	JAPAN	19.5	EVALEND SHIPPING
PROMISE 2	HANDY	32,401	2010	JAPAN	14.0	MIDDLE EASTERN BUYERS
ANSAC CHRISTINE NANCY	HANDY	32,836	2013	JAPAN	17.1	UNDISCLOSED
NS EVE	GC	5,600	2003	SPAIN	N/A	UNDISCLOSED

Dry Bulk Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
CAPE	180,000	64	56	39	30	14
KAMSARMAX	82,000	36	37	31	22	12
SUPRAMAX	56,000	33	37	30	21	9
HANDY	38,000	30	30	26	18	6

*(Amount in USD million)

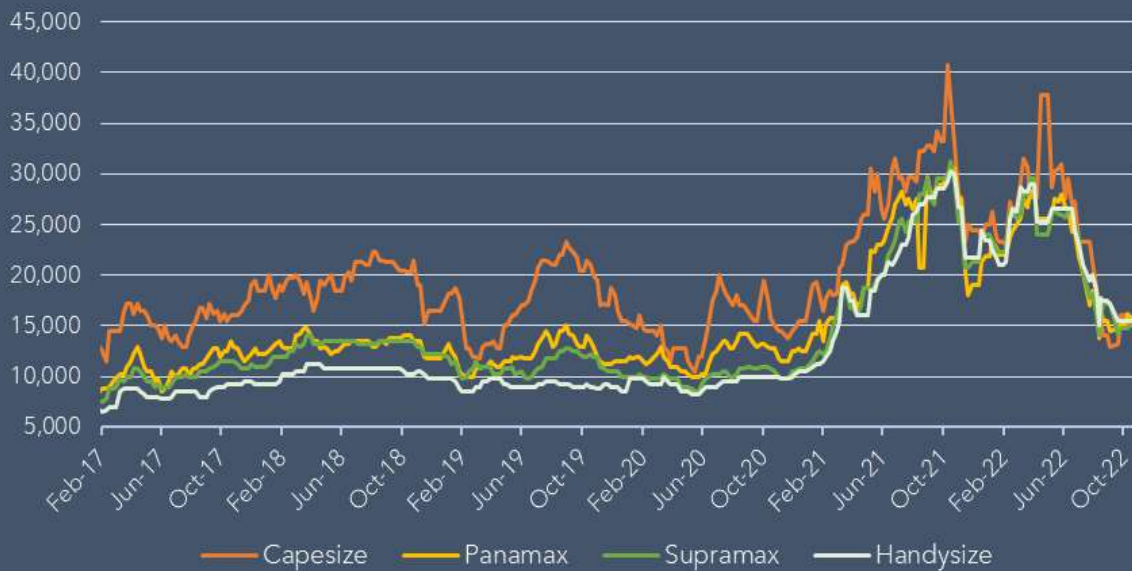
Baltic Exchange Dry Bulk Indices

BALTIC EXCHANGE DRY BULK INDICES					
	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDI	1,838	1,961	4,854	-6.27	-62.13
BCI	2,166	2,396	7,767	-9.60	-72.11
BPI	2,081	2,235	4,065	-6.89	-48.81
BSI	1,690	1,706	3,576	-0.94	-52.74
BHSI	1,012	1,033	2,021	-2.03	-49.93

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	15,250	15,000	37,500	+1.67	-59.33
PANAMAX	75,000	15,800	15,825	30,000	-0.16	-47.33
SUPRAMAX	52,000	15,350	15,250	31,250	+0.66	-50.88
HANDYSIZE	32,000	13,500	13,500	30,350	0	-55.52

Dry Bulk 1 year T/C rates



Tankers

Following a decline earlier in the week, crude oil prices were capped by remarks made by U.S. Federal Reserve officials regarding rising interest rates. The Fed's vice chair for monetary policy, Lael Brainard, stated that the economy is feeling more squeezed but that the full effect of the central bank's rate hikes will not be seen for several months.

Crude oil prices sank sharply after the release of a key consumer inflation report that was stronger than expected. This could imply that the Fed will continue to aggressively hike interest rates. The consumer price index increased by 0.4% in September, exceeding economists' expectations of 0.3% growth.

Despite the favourable consumer inflation report, the crude oil market remained unchanged prior to the report's release. Some traders are still assessing the OPEC+ decision to cut oil production. On the other hand, persistent inflation in the U.S. may lead to a recession.

The report's bullish consumer inflation number is expected to solidify the Fed's next rate hike in November. As the U.S. economy continues to struggle, some investors are concerned that the Feds are raising interest rates too soon. Some analysts believe that the demand for energy-related goods will decline.

Meanwhile, vintage tanker units are getting a chance at the spotlight from the sluggish start of the year as rates across all sizes have risen. The war in Ukraine has produced a considerable surge in prices as the search for new destinations to transport oil is the primary element driving the segment forward.

VLCC:

Freight rates between the Middle East and China improved this week after the Chinese holidays as the 270,000mt voyage climbed to WS87. M.E.G. saw higher mobility, as well as improved supply and demand for ships, as the market began to rise in the second half of the week. Concerns about a fall in crude oil supplies as a result of OPEC+'s plan to reduce output have, however, put downward pressure on the market.

Suezmax:

Suezmax this week saw an uptick in crude oil imports from Europe and higher freight rates for the West Africa/Europe segment as 130,000mt Nigeria/U.K.C. climbed by 22 points to WS146. Med region also saw a positive outcome this week as Black Sea / Augusta saw improvements at WS185.

Aframax:

In the Med market, owners kept the momentum going and remained busy for another week. Despite the slow movement in the Nsea market, Charterers were still finding it hard to bring rates down due to the tight supply of vessels. Rates in the Med continued to move up slowly as 80,000mt Ceyhan to West Med climbed to WS225.

Clean:

M.R. freight rates between Korea and Southeast Asia declined as a result of a fall in the volume entering the region. The U.K.C. and U.S.G. improved as the week went on. However, the availability of vessels could increase if more ships are brought back from the U.S.G. AG MRs have increased significantly this week, with TC17 jumping to WS367.

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
NORDIC COSMOS	SUEZ	159,999	2003	S. KOREA	21.0	UNDISCLOSED
CAP GUILLAUME	SUEZ	158,889	2006	S. KOREA	35.0	UAE BASED
ALBURAQ / SEA LEGEND	LR2	112,521	2008	S. KOREA	70.0 EN BLOC	SOLD TO CHARTERERS
SEAGRACE	AFRA	105,941	2004	S. KOREA	23.5	CHINESE BUYERS
ARIEL	LR1	71,498	2004	S. KOREA	19.0	UNDISCLOSED
ENERGY PROGRESS / ENERGY PUMA	MR	46,606	2008	S. KOREA	40.0 EN BLOC	UAE BASED
DEE4 FIG	MR	44,995	2011	JAPAN	26.0	UNITED OVERSEAS
BALTIC ADVANCE	MR	37,332	2006	S. KOREA	16.5	UNDISCLOSED
HANYU FREESIA	PROD / CHEM	13,102	2006	S. KOREA	7.1	UNDISCLOSED

Tankers Values

(Weekly)

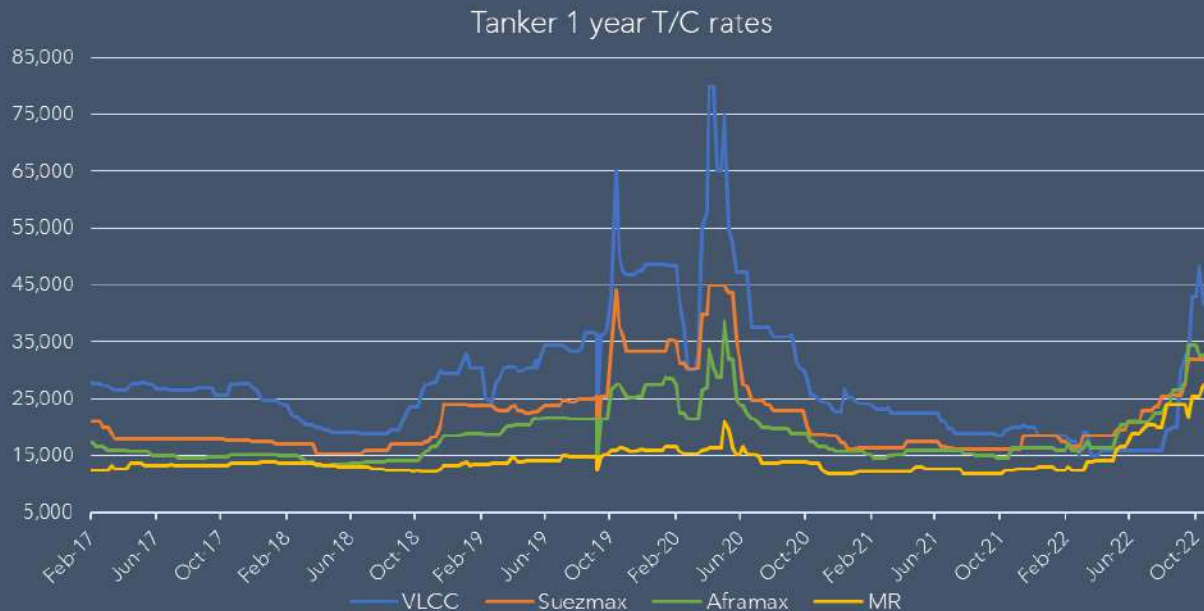
TANKERS	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
VLCC	310,000	120	116	88	65	43
SUEZMAX	160,000	80	82	62	45	24
AFRAMAX	115,000	61	72	57	42	23
PANAMAX-LR1	73,000	53	56	44	30	15
MR TANKER	51,000	43	46	40	29	14

**(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	1,554	1,461	726	+6.37	+114.05
BCTI	1,226	1,150	550	+6.61	+122.91

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	41,500	41,500	19,500	0	+112.82
SUEZMAX	150,000	32,000	32,000	16,250	0	+96.92
AFRAMAX	110,000	32,500	32,500	14,500	0	+124.14
LR1	74,000	37,500	37,500	14,750	0	+154.24
MR	47,000	27,500	27,500	11,750	0	+134.04



Containers

Experts are keeping a careful eye on the container shipping sector as a result of the persistent rate drop. Drewry, a British consulting firm, cut its demand forecast for 2022 last week. The world economy is also anticipated to contract by 1.9% in 2023. Ultimately, when the market begins to stabilize at an appropriate level, operators would discover that their rates and profits are unsustainable, especially with the suspension of East-West service, limiting their operational capacity. The next stage will be to sell older vessels. This will likely lead to record container demolitions in 2023.

Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
NORTHERN JASPER	POST PMAX	8,814	2009	S. KOREA	85.0	MSC
GENOVA	PANAMAX	4,253	2007	CHINA	45.0	UNDISCLOSED
X-PRESS MAKALU	SUB PMAX	2,714	2008	POLAND	25.0	MSC
JSP TITAN	FEEDER	1,122	1996	GERMANY	5.8	UNDISCLOSED
SUNNY LOTUS	FEEDER	1,048	2013	S. KOREA	15.5	S. KOREAN BUYER
AS LAETITIA	FEEDER	957	2007	CHINA	16.0	USA BASED BUYERS

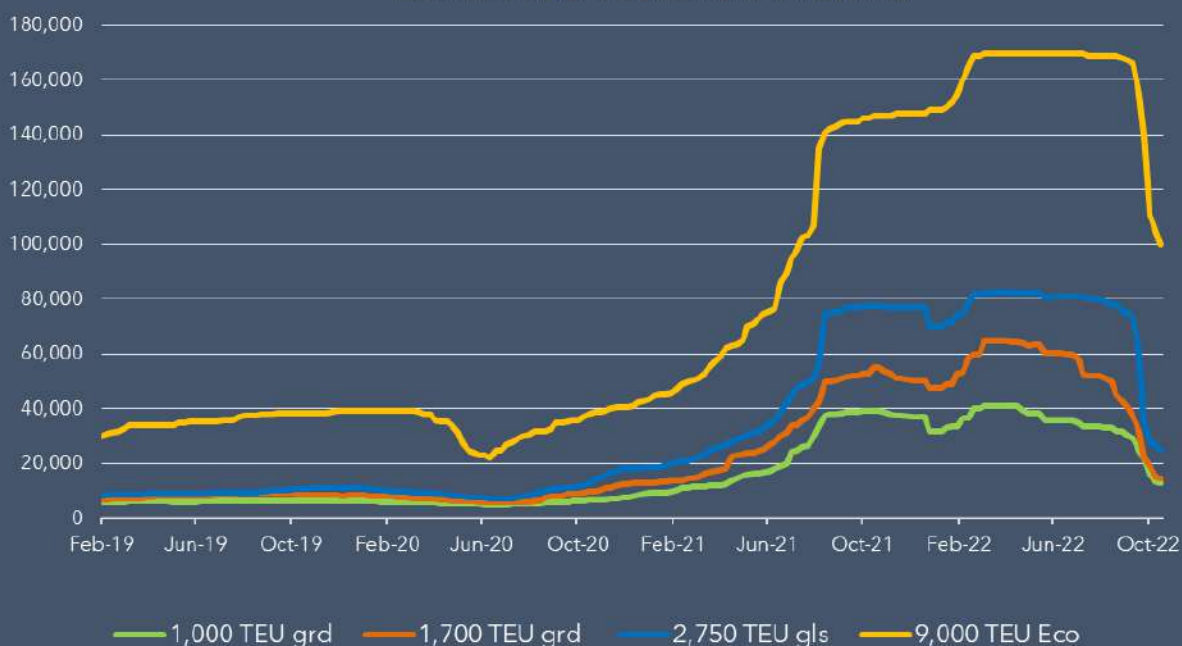
Containers Values

(Weekly)





CONTAINERS (by TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 - 1,200	Geared	24	29	22	17	13
1,600 - 1,800	Geared	29	36	31	24	19
2,700 - 2,900	Gearless	43	43	38	30	25
5,500 - 7,000	Gearless	85	115	95	77	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)	600 ~ 610	590 ~ 600	600 ~ 610	630 ~ 640	STABLE / 
CHATTOGRAM, BANGLADESH	610 ~ 620	600 ~ 610	590 ~ 600	620 ~ 630	STABLE / 
GADDANI, PAKISTAN	590 ~ 600	580 ~ 590	560 ~ 570	600 ~ 610	STABLE / 
TURKEY *For Non-EU ships. For E.U. Ship, the prices are about USUS\$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

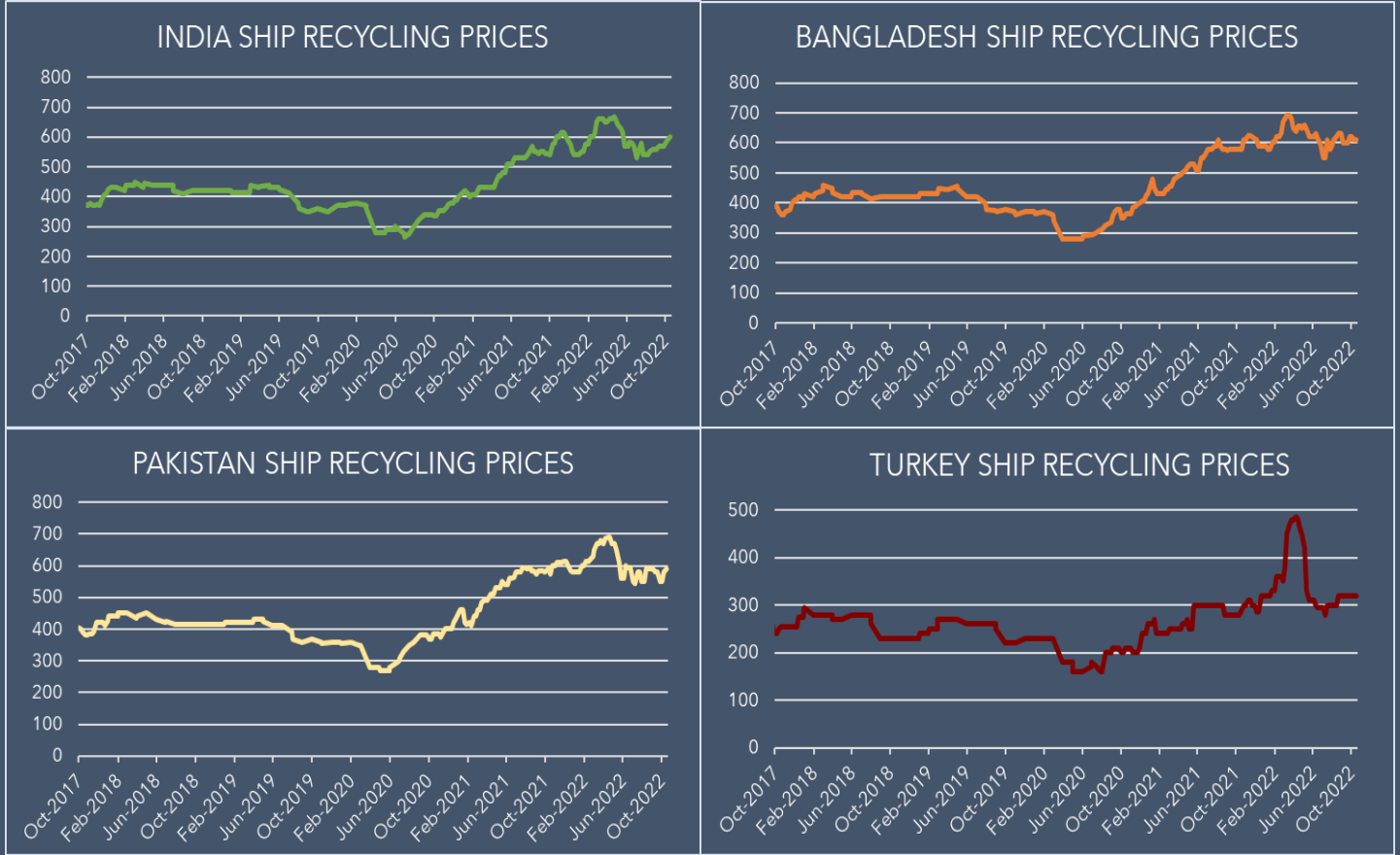
(Week 41)

DESTINATION	2017	2018	2019	2020	2021
ALANG, INDIA	380	445	360	350	580
CHATTOGRAM, BANGLADESH	390	450	370	350	600
GADDANI, PAKISTAN	410	440	360	360	590
ALIAGA, TURKEY	210	270	220	205	290

Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (USUS\$/LDT LT)	COMMENTS
YU HAI XING	5017.10	1995 / CHINA	BC	615	DELIVERED CHATTOGRAM

Recycling Ships Price Trend



Insights

This week saw minor corrections in the Sub-Continent domestic ship scrap prices. The momentum was seen losing steam as the central banks took center stage. The ever-devaluing domestic currency and depleting forex reserves have sent some shock waves to the Sub-Continent markets, especially Bangladesh.

While in E.U. and the U.S., steel producers slowed down the production of steel amid high energy costs and weaker demand. The steel sector is among multiple energy-intensive industries and is vulnerable to the ongoing energy crisis, especially when winter is around the corner. In the U.S., as the steel prices continued their slow descent, few steel producers were cutting down production.

Meanwhile, in Europe, countries have begun implementing emergency measures to mitigate rising energy prices.

ALANG, INDIA

Following a week-long surge in containerised and bulk scrap bookings, Indian buyers have begun to curtail their purchases this week due to market sluggishness. Offers are likewise consistent, despite the fact that the drop in bookings may have an impact on the market.

Demand for both steel products, particularly bars and plates, remained strong until Tuesday when the market began to slow. This has prompted buyers to exercise caution. Furthermore, most mills have adequate supplies.

After a lengthy absence, H.M.S. 1&2 from the U.A.E. were made again available to the Indian market. However, no bookings have been made yet. According to a source, the country's authorities continue to prohibit the export of scrap, deterring big U.A.E. exporters from supplying their products.

On the ship recycling front, domestic ship scrap prices took a plunge of about 4.5% just in a week after increasing in early October. However, ship prices remained stable, with demand intact.

Anchorage & Beaching Position (October 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
LOUISIANA	RIG	16,751	14.10.2022	AWAITING
JAGUAR	RIG	26,545	14.10.2022	AWAITING
DEED 1	GENERAL CARGO	1,985	29.02.2022	AWAITING
ABA IV	JACKUP RIG	7,926	12.10.2022	13.10.2022
FALCON SPIRIT	TANKER	22,793	06.10.2022	12.10.2022

CHATTOGRAM, BANGLADESH

This week the markets have taken a breather as the volatility in the domestic ship scrap returns. Ongoing issues in opening the L.C.'s have now become even more difficult, with the central bank prompting the domestic banks to do cross-commodity price checks, in a nutshell, they are trying to slow down the imports amid depleting forex reserves.

Ship recycling markets have entered into an extremely cautious mode. Several ships sold in the past are facing headwinds as even L.C.'s less than US\$2.5 million value is being rejected by the banks. Bangladesh's central bank has pumped more than US\$4 billion into the market so far this fiscal year, putting additional strain on the country's foreign exchange reserves. Between July and October, the Bank of Bangladesh flooded the market with almost four

billion dollars to assist lenders in clearing their import invoices. The previous year, the bank injected a record US\$7.62 billion to keep the exchange rate stable.

The Bangladeshi Taka exchange rate was at BDT105.66 to a U.S. dollar midweek, which is 23.43% lower than the previous currency's value.

According to data issued by the central bank, the number of L.C.s opened during the first two months of the current fiscal year has decreased to US\$12.4 billion from US\$12.3 billion the previous year. Even so, the overall settlement of these loans has climbed to US\$15 billion, a 42.3% increase from the previous year.

Anchorage & Beaching Position (October 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
JAVA ILLITHIYA	OFFSHORE	2,553	15.10.2022	AWAITING
STROVOLOS	TANKER	9,368	01.10.2022	08.10.2022
STARLET	BULKER	23,683	04.10.2022	09.10.2022
PETROGAS 5	LPG	904	06.10.2022	14.10.2022
BEI LUN 6	BULKER	8,015	06.10.2022	12.10.2022
URANUS	TANKER	39,825	07.10.2022	12.10.2022
MAR	RORO	10,800	08.10.2022	13.10.2022
MINISTAR	LPG	835	09.10.2022	AWAITING
UEI MARU	GENERAL CARGO	757	10.10.2022	AWAITING
<i>ARIANA</i>	<i>TANKER</i>	<i>15,672</i>	<i>22.06.2022</i>	<i>AWAITING</i>
<i>GALA</i>	<i>TANKER</i>	<i>16,884</i>	<i>01.03.2022</i>	<i>AWAITING</i>

GADDANI, PAKISTAN

A very quiet week for the Pakistani ship recycling markets as the price levels are yet to match Bangladesh in competition.

The good news for the importers was the strengthening of the Pakistani rupee due to intervention by the central banks. The currency gained 7.5% M-O-M basis.

Overall a quiet market with no fresh sales reported.

Anchorage & Beaching Position (October 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
CHEVAL BLEU	TANKER	21,822	04.10.2022	08.10.2022

ALIAGA, TURKEY

Despite a minor uptick in domestic scrap prices, the import market in Turkey continues to be sluggish.

In addition to a shortage of export sales, domestic demand for Turkish rebar has also ceased this week. Although mills attempted to maintain prices over US\$700/t ex-works, there were bids as low as US\$680/t ex-works from re-rollers and stockists in need of cash due to ongoing credit troubles in Turkey.

On Wednesday, shipbreaking scrap rates were seen at US\$360/t delivered, unchanged from the previous week. The lira remains stable w-o-w at 18.58 per dollar.

BEACHING TIDE DATES 2022

Chattogram, Bangladesh : 24th Oct. ~ 27th Oct. | 6th Nov. ~ 9th Nov.

Alang, India : 25th Oct. ~ 31st Oct. | 6th Nov. ~ 13th Nov.

Bunker Prices

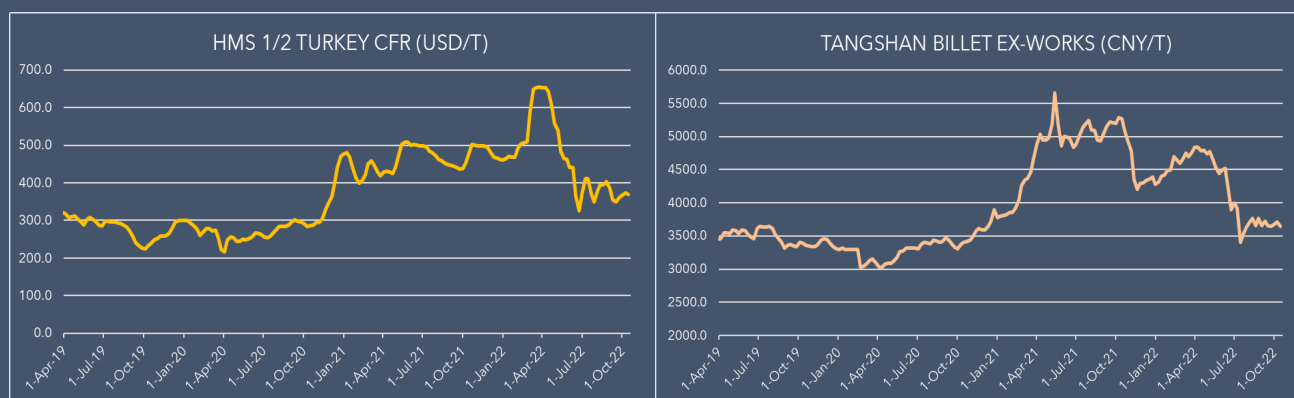
BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	IFO380 CST	MGO (0.1%)
SINGAPORE	735	395	1072
HONG KONG	725	423	1028
FUJAIRAH	715	390	1286
ROTTERDAM	661	380	1090
HOUSTON	672	443	1255

Exchange Rates

EXCHANGE RATES			
	14th OCTOBER	7th OCTOBER	W-O-W % CHANGE
USD / CNY (CHINA)	7.19	7.11	-1.13
USD / BDT (BANGLADESH)	102.53	102.54	+0.01
USD / INR (INDIA)	82.36	82.31	-0.06
USD / PKR (PAKISTAN)	218.96	219.84	+0.40
USD / TRY (TURKEY)	18.59	18.58	-0.05

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, C.N.F. Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	US\$96	-2.04%	-14.28%	US\$98	US\$112
Iron Ore Fines, C.N.F. Rizhao, China	Fines, Fe 62% (Australia Origin)	US\$94	-2.08%	-24.19%	US\$96	US\$124

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	341.20	-2.85	-0.83%	Dec 2022
3Mo Copper (L.M.E.)	USD / MT	7,573.00	+28.00	+0.37%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,359.50	+54.50	+2.36%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,901.00	-7.50	-0.26%	N/A
3Mo Tin (L.M.E.)	USD / MT	20,100.00	+280.00	+1.41%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	85.71	-3.40	-3.82%	Nov 2022
Brent Crude (I.C.E.)	USD / bbl.	91.66	-2.91	-3.08%	Dec 2022
Crude Oil (Tokyo)	J.P.Y. / kl	74,160.00	-1,680.00	-2.22%	Mar 2023
Natural Gas (Nymex)	USD / MMBtu	6.48	-0.26	-3.87%	Nov 2022

Note: all rates as at C.O.B. London time October 14, 2022

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