WEEKLY REPORT

WEEK 45 – November 13, 2022

This week, the U.S. midterm election news was buzzing the wires. The result will determine which party controls Congress and potentially influence the direction of future expenditures. Currently, Democrats dominate the House and hold a majority in the Senate. A Republican victory might mean increased backing for oil and gas firms.

Two big news lifted the sentiments and stock markets. In the U.S. softer than expected consumer price data raised the hopes that FED may need to tighten the monetary policy less than expected in its fight against inflation. While Thursday's inflation data alone may not be enough to limit the scope of the Fed's monetary policy tightening, it gave some investors confidence that consumer prices may have finally started trending lower, bolstering the case for them to cut their long dollar positions and dive into riskier assets such as stocks.

The other big news was that China Eases Quarantine ends flight bans in Covid Zero Shift. This move is the biggest pullback in the strict Covid Zero policy. This signified a fundamental shift in the country's approach to controlling the virus's spread. With this news, the Chinese assets rose as investors hoped for reopening.

Dry Bulk

In the second week of November, Capesize rates have found a low not seen in five years albeit temporarily. Due to the numerous variables at play, it is challenging to estimate how the market will perform over the next few weeks. Given the seasonal structure of the market and the persisting demand patterns, it is fair to say that Capesize rates will recover during last few weeks of the year. However, the biggest threat that will deviate from the historical trends are this year's extraordinary market conditions.

At the moment, the whole outlook is dependent on evidence of a somewhat economic recovery. Now, the whole outlook is dependent on evidence of a somewhat economic recovery.

Meanwhile, iron ore futures rose as China eased some covid-19 limits after its new leadership stressed the need to contain disease transmission. Steel prices rose after the government's announcement.

However, China's ferrous complex increases were not enough to support the market. As a result, iron ore demand in the country is anticipated to remain low in the coming months. This is because the nation's steel mills are already decreasing production. The government aims to introduce winter output limitations to reduce iron ore demand.

Capesize:

After the peak season for steel demand ended in autumn, iron ore demand decreased and contracted as steel mills cut production. Despite declining steel costs, production margins at Chinese mills are still affected by relatively high coking prices. Pacific r/v saw a decline this week, with levels in the region of US$12,500 a day. Last week's U.S. Federal Reserve hiked interest rates for the fourth time also further aggravated market pessimism. T/A levels fell to US$ 17,500's a day while Brazil r/v slipped to the lows of US$ 9,600's a day levels.

Panamax / Kamsarmax:

The Panamax segment sank due to sluggish demand for coal imports from China and Europe, as well as the ongoing conundrum of water level loss in the Mississippi River. Australia's coal and the U.S. West Coast's grain imports sustained the market this week, resulting in a smaller decline. T/A levels fell to around US$13,200 a day, while F/H saw rates discounted in the region of US$ 22,500's. On the other side, Europe is experiencing above-average temperatures for the winter season, therefore, energy demand is low for the moment. As the USG's grain export volume remained tight, Pacific Northwest shipments increased to feed the Pacific market. Overall. Pacific r/v fell to US$14,200 a day while Pacific – India saw levels around US$ 13,800's.

Supramax / Ultramax:

The decline in Indonesian coal exports was prompted by restriction in new shipments and uncertainty over Black Sea grain deal. Due to severe rainfall in the region, Indonesia's export capacity is hampered, and prices are projected to climb as the end of the year approaches. Local companies are also focusing on domestic sales to meet targeted (DMO). As uncertainty looms, many proceed with caution when purchasing Black Sea grain, decreasing the volume of new trade. As fundamental variables show no signs of recovery, it is expected that the market will remain sluggish for the foreseeable future. Pacific r/v levels fell to US$9,400 this week while F/H saw a slight uptick with rates in the region of US$ 22,200's.

Handysize:

Similar to the other categories, the Handy segment lost steam. The Asian market remains stagnant, while the Atlantic basin, lacks new energy. Inter Pacific levels fell to US$ 8,700's a day while Pacific r/v closed at US$ 9,500's. Overall market outlook remains pessimistic. T/A route also saw a decline as levels settled in the region of US$12,700 a day.

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
TRUE PATRIOT	CAPE	180,967	2016	JAPAN	39.8	UNDISCLOSED
EDWARD N	CAPE	176,216	2011	CHINA	23.0	TAIWANESE BUYERS
CMB VAN MIEGHEM	POST PMAX	95,737	2011	JAPAN	21.0	UNDISCLOSED
NAVIOS TAURUS	PANAMAX	76,596	2005	JAPAN	14.0	INDONESIAN BUYERS
NORD YUCATAN	ULTRAMAX	63,500	2019	CHINA	28.5	TOMASOS BROTHERS
PORTHOS	SUPRAMAX	56,825	2010	CHINA	16.0	UNDISCLOSED
JIN FENG	SUPRAMAX	52,686	2004	JAPAN	13.3	XINFENG HK SHIPPING
JIAN DA	SUPRAMAX	52,677	2005	JAPAN	13.2	TURKISH BUYERS
BELLE ETOILE	HANDY	28,230	2014	JAPAN	14.0	UNDISCLOSED
SUN GLORY	GC	7,362	2000	JAPAN	3.3	MIDDLE EASTERN BUYER

Dry Bulk Values

(Weekly)

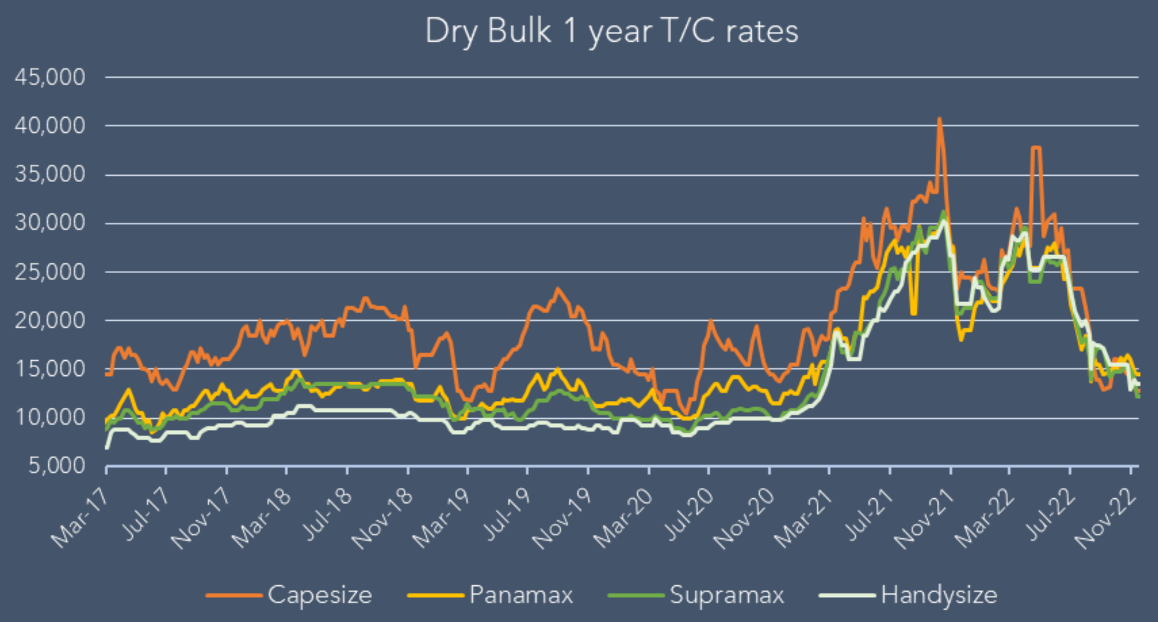
TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
CAPE	180,000	62	54	37	30	14
KAMSARMAX	82,000	35	37	31	23	11
SUPRAMAX	56,000	32	36	29	20	9
HANDY	38,000	29	28	24	16	6

****(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	1,355	1,323	2,807	+2.42	-51.73
BCI	1,544	1,343	2,836	+14.97	-45.56
BPI	1,637	1,700	2,930	-3.71	-44.13
BSI	1,213	1,268	2,253	-4.34	-46.16
BHSI	787	836	1,613	-5.86	-51.21

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	13,250	12,750	23,500	+3.92	-43.62
PANAMAX	75,000	14,000	14,500	20,250	-3.45	-30.86
SUPRAMAX	52,000	12,500	12,500	20,750	0	-39.76
HANDYSIZE	32,000	10,750	12,000	21,750	-10.42	-50.57



Tankers

Despite occasional price surges, the weekly losses were projected to continue as concerns about global supplies remained. On the plus side, China is poised to relax its Covid limitations. However, the market's price fears were only briefly alleviated, as the pandemic is projected to continue in the country.

Oil prices fell daily for most of the week as concerns about global supplies remained. Because of the growth in U.S. crude oil supplies and fears over China's restrictions, the weekly loss for oil might exceed 4%. Traders are concerned about lockdowns in the big oil importer country. This could momentarily limit the top-side objectives of the market. Despite the news, the market is still in a better position than it was at the start of the week.

In other news, U.K. Treasury will not allow British insurers to cover Russian oil ships after December 5.

By December 5, tanker owners flying any E.U. flag or carrying P&I insurance from an E.U. or U.K. club cannot have Russian crude oil onboard unless Russia sells the petroleum to the buyer at or below a price cap advocated for by G7. More than 90% of the world's insurers will shun Russian-linked crude tanker contracts next month when the U.S. joins the ban.

The tanker ban legislation will initially only apply to crude oil exports but will be expanded to cover refined products on February 5.

VLCC:

Due to increased demand in late November and the aftermath of the typhoon in the southern Philippines, the Middle East/China segment for 270,000mt saw some gains this week to WS113. In the Atlantic, 260,000mt West Africa to China rose to WS113.

Suezmax:

Due to adjustment pressure and constrained freight flow caused by a short-term spike, rates decreased last week. This week saw some recovery, with the 135,000 mt CPC/Augusta trip gaining gain 15 points to WS215.

Aframax:

The market rise was driven by the decline in available vessels in the Middle East due to an increase ballaster in the Atlantic basin. But levels corrected midweek, as levels fell to WS235 for a trip to Singapore.

Clean:

The LR1 segment is currently tight with rates on the UKC-WAF route rising to WS220. This week however, MEG remained stable with little deviations. LR2s TC1 bottomed out WS170.

The UK-Continent MR volumes continued to surge upwards after a week-long flurry of activity. TC2 ended the week in the region of WS306.

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
DAEHAN 5075	LR2	115,000	2022	S. KOREA	72.5	NAVIG8
BEKS SWAN	AFRA	108,929	2009	CHINA	36.0	UNDISCLOSED
ORTOLAN COCO	LR1	74,992	2008	CROATIA	20.0	GREEK BUYERS
NORDIC TRISTAN	LR1	73,604	2007	CHINA	20.5	UNDISCLOSED
ERAWAN 10	MR	44,998	2003	JAPAN	12.0	FAR EASTERN BUYER
PSS VITALITY / PSS ENERGY	MR	37,297 / 37,244	2001	S. KOREA	25.0 EN BLOC	FAR EASTERN BUYERS
CHEM LUCK	PROD / CHEM	11,564	1997	JAPAN	3.3	CHINESE BUYER

Tankers Values

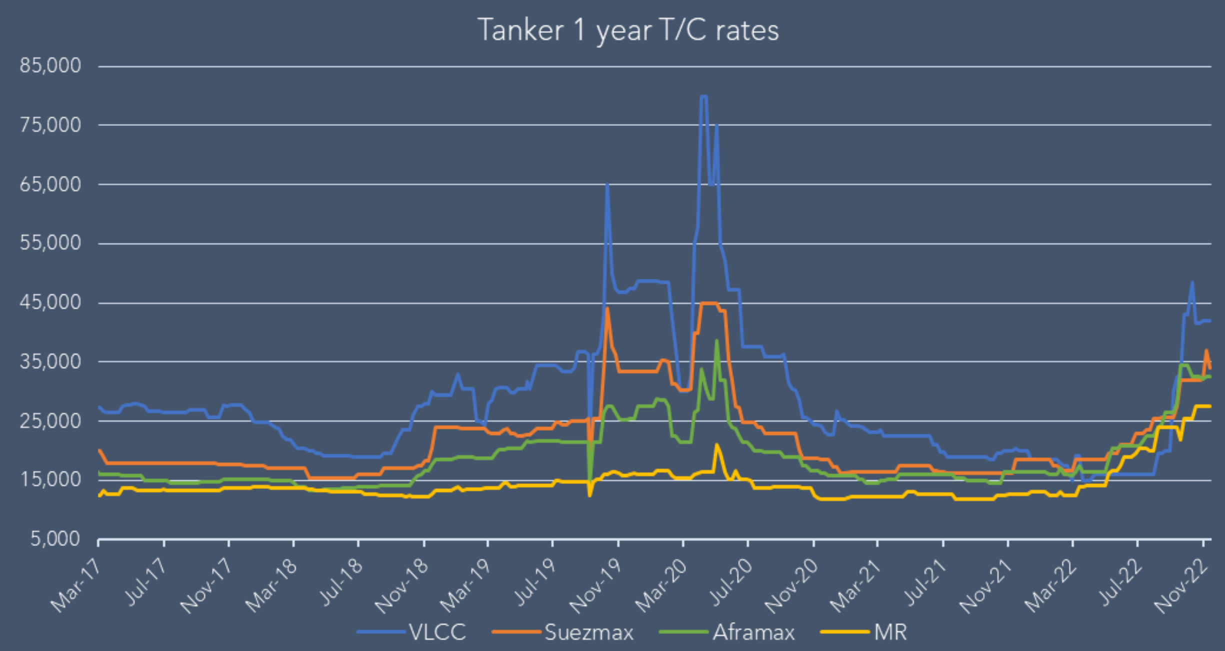
(Weekly)

TANKERS	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
VLCC	310,000	120	119	89	66	44
SUEZMAX	160,000	80	80	62	46	23
AFRAMAX	115,000	61	72	57	42	23
PANAMAX-LR1	73,000	54	56	44	33	15
MR TANKER	51,000	43	46	39	28	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	1,894	1,836	835	+3.16	+126.83
BCTI	1,340	1,199	607	+11.76	+120.76

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	42,500	42,000	20,500	+1.19	+107.32
SUEZMAX	150,000	41,000	34,000	18,500	+20.59	+121.62
AFRAMAX	110,000	32,500	32,500	16,500	0	+96.97
LR1	74,000	37,500	37,500	13,500	0	+177.78
MR	47,000	27,500	27,500	12,750	0	+115.69



Containers

This week, T.C. rates in the smaller segment remain little to no change. 9,000 TEU however continue to witness levels slipping by almost US$2000 from last week. The latest data from the SCFI and Drewry shows that the decline in these indices have been accelerated. The SCFI, which was released on Friday, fell 8.6% last week to 1,443.29. Back in January, the index hit a record high of 5,000. Week on week, smaller discounts will be witness in most of the container segment.

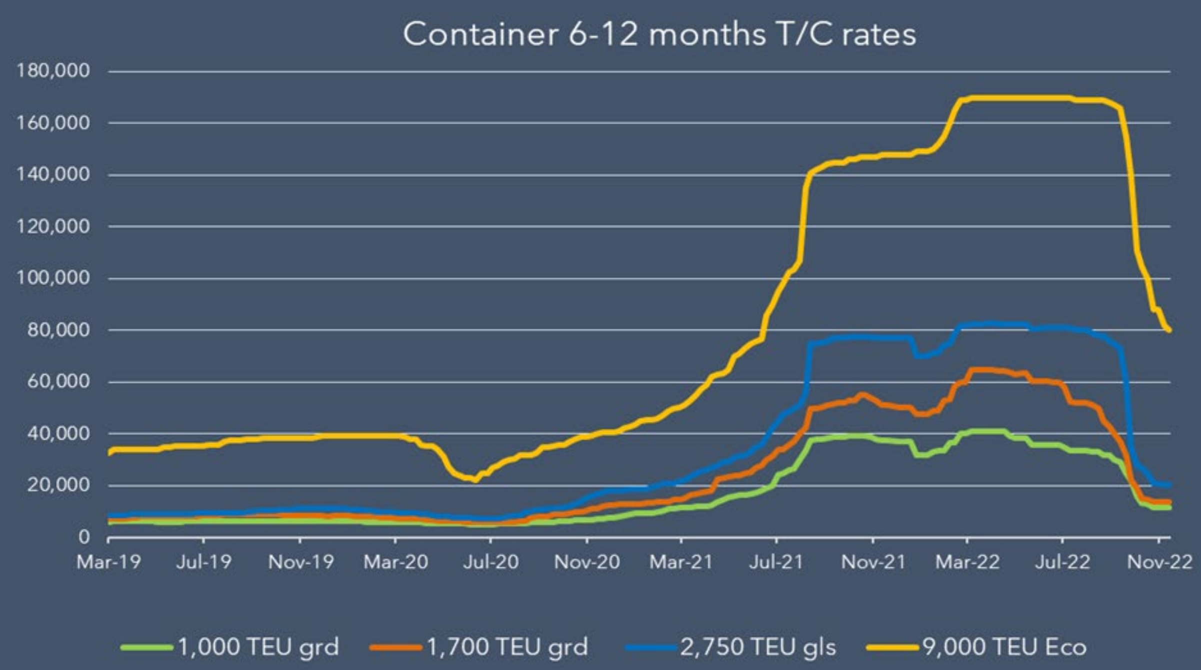
Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
X-PRESS KANGCHENJUNGA	SUB PMAX	2,690	2009	GERMANY	N/A	MSC

Containers Values

(Weekly)

CONTAINERS (by TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 – 1,200	Geared	24	26	21	17	13
1,600 – 1,800	Geared	29	31	26	21	17
2,700 – 2,900	Gearless	42	41	36	28	23
5,500 – 7,000	Gearless	85	115	95	77	N/A
(amount in USD million)						



Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
ALANG (WC INDIA)	550 ~ 560	530 ~ 540	520 ~ 530	580 ~ 590	STABLE / ↔
CHATTOGRAM, BANGLADESH	*560 ~ 570	*540 ~ 550	*530 ~ 540	*600 ~ 610	STABLE / ↔
GADDANI, PAKISTAN	520 ~ 530	510 ~ 520	490 ~ 500	570 ~ 580	STABLE / ↔
TURKEY *For Non-EU ships. For E.U. Ship, the prices are about USUS$30-40/ton less	290 ~ 300	280 ~ 290	270 ~ 280	310 ~ 320	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.
- * Chattogram prices are based on a case-to-case and subject to Letters of Credit opening.

5-Year Ship Recycling Average Historical Prices

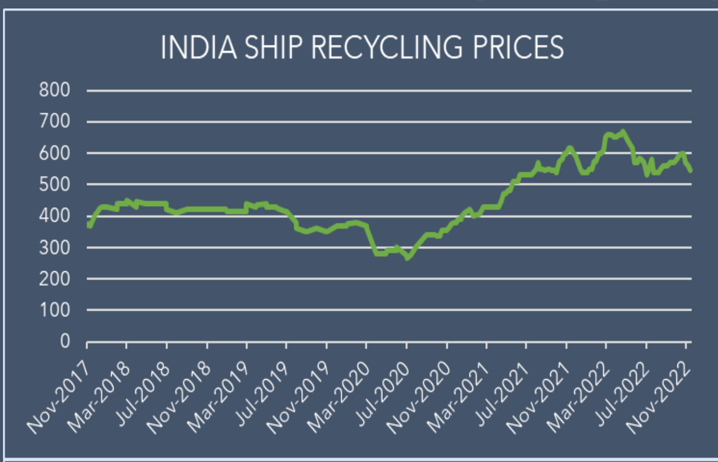
(Week 45)

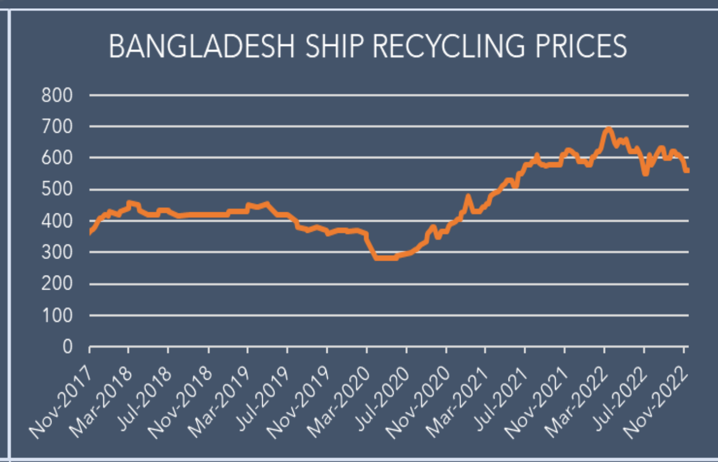
DESTINATION	2017	2018	2019	2020	2021
ALANG, INDIA	370	445	370	360	610
CHATTOGRAM, BANGLADESH	395	445	340	360	620
GADDANI, PAKISTAN	405	440	350	370	610
ALIAGA, TURKEY	210	280	240	205	290

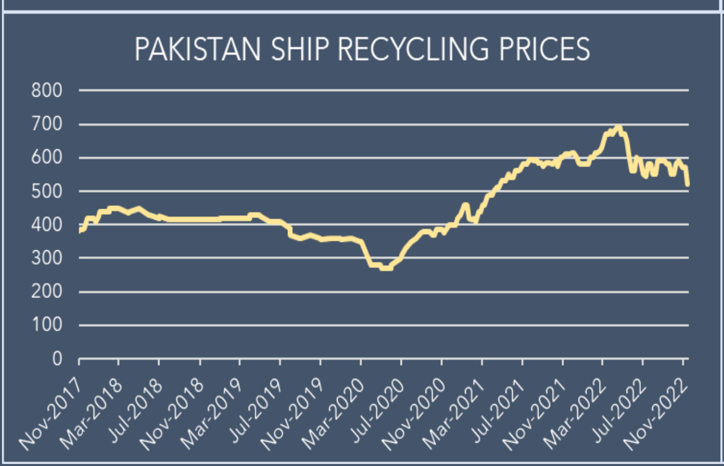
Ships Sold for Recycling

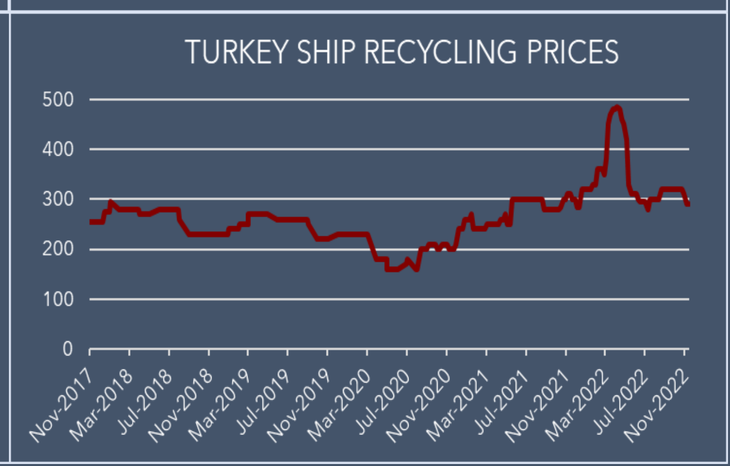
VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US$/LDT)	COMMENTS
CURACAO PEARL	10,965	1984 / S.KOREA	BULKER	585	DELIVERED ALANG FOR HKC / HIGH SPECS WITH NEWLY INSTALLED BWTS
TIAN YU 2	5,002	1989 / JAPAN	BULKER	560	DELIVERED CHATTOGRAM

Recycling Ships Price Trend









Insights

Chinese Exports and imports unexpectedly declined for the first time in almost two years, according to new data released this week. Further, China's key data; producers price index, which is a gauge to calculate inflation and track the price of raw materials, fell in October for the first time since December 2020, dragged down by declining iron and steel prices.

Rising recessionary concerns are leading global consumers to buy less, while domestic issues such as Covid Zero regulations and the housing slump are hurting domestic consumption.

Last week, the China Iron and Steel Association (CISA) spoke of the "difficulties and situations" the country's steel sector has been facing this year, which is not anticipated to improve in the near term.

This week Iron Ore prices stabilised which was a respite to the steel industry, though early to say if it had bottomed out. With the positive news on COVID relaxation policy from China, this Friday may bring in hopes of recovery in the coming weeks.

As we enter the new year, steel's downward spiral is expected to continue due to sluggish demand and prices to correct across the sector in all the major steel products to align with the rising cost.

ALANG, INDIA

After a rough start in November, with negative sentiments haunting the steel markets, some respite was seen this week as to where the U.S. dollar strength is concerned. The INR strengthened by about 2.78%, closing at INR80.60 levels, below INR81 this week in the backdrop of better than expected U.S inflation report. This has brought back some optimism amongst the importers.

This week the domestic ship scrap markets took a plunge, with prices of melting ship scrap dropping by 12.73% and ship plates prices by 1.5% M-O-M due to the relentless arrival of bulk scrap shipments on a weekly basis in India.

Overall, sentiments in the recycling industry were weakening as cheaply available alternatives were driving the domestic scrap markets down. Ship recyclers preferred to stay cautious and conservative offers were bidding for fresh ships despite decent demand.

Overall, the ship prices remain stable, but the markets in Alang are now divided, with prices offered by each recycler having a significant differential. The markets have turned on the *"View to offer"* mode.

Anchorage & Beaching Position (November 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
SERENITY	OFFSHORE	2,828	08.11.2022	AWAITING
ORIENT 1	BULKER	18,138	07.11.2022	11.11.2022
RIVIERA	TOTO	4,833	03.11.2022	10.11.2022
KRONSHTADISKIY	FISHING	1,854	01.11.2022	09.11.2022
BARGE 27	PIPE LAYING BARGE	16,325	07.11.2022	09.11.2022

CHATTOGRAM, BANGLADESH

Despite moderate demand at the current pricing, markets remained stagnant. The banking troubles persist, and the recyclers' efforts to convince the banks to open Letters of Credit are futile.

A perfect tussle between the recyclers and the banks. On the one hand, the banks want the recyclers to fulfill their obligations by continuing to buy and utilising the banking lines provided, while on the other hand, the banks refrain from opening Letters of Credit.

The ships lately purchased by the ship recyclers are reaping the benefits of the rising local markets as the ferrous scrap inventories deplete and no fresh import of ferrous scrap takes place due to L.C. issues.

Several ship owners and cash buyers were caught in the dramatic situation between the recycler and the bank. The ships sold in the past are en route to Chittagong, oblivious to the uncertain outcome of acquiring Letters of Credit.

This week, International Monetary Fund reached a preliminary agreement to provide Bangladesh with a US$4.5 billion support package to help Bangladesh to cope with soaring energy and food prices. Bangladesh plans to use the IMF loan to prop up its foreign exchange reserves, which have nosedived from US$46 billion to US$34 billion.

From a bird's-eye view, the government has slammed the brakes on major infrastructure projects and subtly indicated on November 8 that the various authorities involved should not pursue any megaprojects and instead concentrate on rural development and public welfare. It was further mentioned, "the luxury projects can't be taken up. But small rural projects or welfare-oriented projects cannot be compromised. Mega projects can't be undertaken." Market participants have interpreted this as governments rationing funds to avoid extreme scarcity. Industry experts believe that the demand for cement and steel will be quiet in the coming months.

Anchorage & Beaching Position (November 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
FULL ALWAYS 168	FISHING	505	01.11.2022	AWAITING
FARQUHAR 1	FISHING	495	01.11.2022	AWAITING
FU YI	GEN. CARGO	8,317	28.10.2022	08.11.2022
REDPEARL	RORO	3,474	01.11.2022	06.11.2022
JINA	TANKER	1,710	31.10.2022	06.11.2022
ARIANA	*TANKER*	*15,672*	*22.06.2022*	*AWAITING*
GALA	*TANKER*	*16,884*	*01.03.2022*	*AWAITING*

GADDANI, PAKISTAN

Markets remained muted with no buying interest. Recyclers were happy staying on the sidelines as they could not compete with the imported steel prices, raw materials and finished products.

China has resumed dumping Hot Rolled Coils (HRC), the ultimate finished steel product, at the price of US$525~530/ton levels, making ship prices challenging to cope with.

Major mills in Pakistan lowered their domestic finished steel prices in light of weak demand. Imported ferrous scrap prices continued their downward trend.

Political instability again took center stage, leading to uncertainties and slowing down the economy further. The recently appointed government has not been able to kick-start the economy as they have been struggling to remain in power. Infra-projects which supposed to resume were finding themselves positioned

Anchorage & Beaching Position (November 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

ALIAGA, TURKEY

Despite the decrease in import prices, the buying prices of scrap in Turkey have not changed. Due to the high cost of energy and the decline in steel prices, several manufacturers are considering importing inexpensive steel, with some also considering ceasing operations.

Regardless of the various causes that have affected the Turkish scrap market, the overall outlook remains unfavourable. The majority of participants do not anticipate a price rebound in the near future.

Shipbreaking scrap levels were in the region of US$290-300/t delivered, down from US$320-330/t M-O-M. Meanwhile, the lira remains unchanged from last week.m-

BEACHING TIDE DATES 2022

Chattogram, Bangladesh	:	6th Dec. ~ 9th Dec. | 23rd Dec. ~ 26th Dec.
Alang, India	:	22nd Nov. ~ 29th Nov. | 05th Dec. ~ 13th Dec.

Bunker Prices

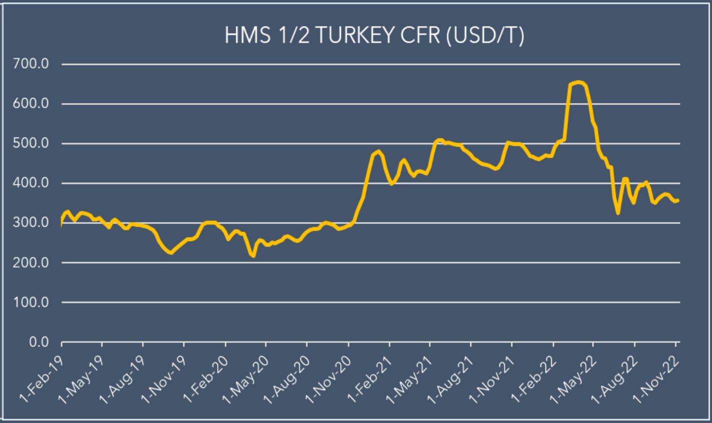
BUNKER PRICES (USD/TON)			
PORTS	**VLSFO (0.5%)**	**IFO380 CST**	**MGO (0.1%)**
SINGAPORE	718	389	1045
HONG KONG	715	417	1001
FUJAIRAH	694	386	1255
ROTTERDAM	644	375	1012
HOUSTON	651	450	1052

Exchange Rates

EXCHANGE RATES			
	11th NOVEMBER	4th NOVEMBER	W-O-W % CHANGE
USD / CNY (CHINA)	7.11	7.18	+0.97
USD / BDT (BANGLADESH)	105.23	101.57	-3.60
USD / INR (INDIA)	80.51	81.98	+1.79
USD / PKR (PAKISTAN)	221.55	221.78	+0.10
USD / TRY (TURKEY)	18.56	18.56	0

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$91	+7.05%	+12.34%	US$85	US$81
Iron Ore Fines, CNF Rizhao, China	Fines, Fe 62% (Australia Origin)	US$88	0%	-2.22%	US$88	US$90

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	389.80	+14.00	+3.73%	Dec 2022
3Mo Copper (L.M.E.)	USD / MT	8,271.50	+167.00	+2.06%	N/A
3Mo Aluminum (LME.)	USD / MT	2,327.00	+8.00	+0.34%	N/A
3Mo Zinc (LME.)	USD / MT	2,884.00	+30.50	+1.07%	N/A
3Mo Tin (LME.)	USD / MT	20,324.00	+507.00	+2.56%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	89.12	+2.65	+3.06%	Dec 2022
Brent Crude (ICE.)	USD / bbl.	96.27	+2.60	+2.78%	Jan 2023
Crude Oil (Tokyo)	JPY / kl	72,660.00	-750.00	-1.02%	Apr 2023
Natural Gas (Nymex)	USD / MMBtu	6.43	+0.19	+3.08%	Dec 2022

Note: all rates as at C.O.B. London time November 11, 2022