



# STAR ASIA WEEKLY REPORT

## WEEK 16 - April 23, 2023

Chinese GDP data released on Tuesday showed a growth of 4.5% in the first quarter of 2023, exceeding the expected growth of 4%. This growth was fueled by a surge in retail sales and factory output in March. Despite the positive GDP growth, the Chinese government has cautioned that the country's economic recovery is unstable. The National Bureau of Statistics has expressed concerns about insufficient domestic demand, which suggests that the government is keeping a close eye on the situation and may take measures to boost demand if necessary.

It's worth noting that China's economy has made significant progress toward recovery since the COVID-19 pandemic started, thanks to the government's stimulus measures and strict containment strategy. However, persistent challenges such as a decline in global trade and rising commodity prices could impact the country's economic outlook in the future.

The European Parliament has voted to include shipping in its Emissions Trading System (ETS), with ship owners required to pay for allowances covering 40% of emissions from next year, increasing to 70% in 2025 and 100% from 2026. The parliament agreed to allocate 20 million ETS allowances, worth around US\$2bn, and will also include methane and nitrous oxide in addition to carbon dioxide in its emissions package.

The move is expected to encourage ship owners and operators to adopt the best available technology to reduce emissions and improve air pollution in cities close to rivers and the coastline. The ETS will cover all emissions from vessels calling at an EU port for voyages within the EU, as well as 50% of emissions from voyages that start or end outside the EU, and all emissions at berth in EU ports. Companies with ships within the scope of the EU ETS are advised to update their contractual arrangements and consider how to acquire the necessary emission allowances.

### **Dry Bulk**

The surge in iron ore futures on the Dalian Commodity Exchange is a direct result of China's quicker-than-anticipated economic growth in March. The National Bureau of Statistics reported a 4.5% increase in GDP for the first quarter, surpassing the projected 4.0%. This news has sparked investor interest and demand for iron ore.

Consequently, the September iron ore futures on the DCE have climbed to 788.5 CNY (US\$114.67), marking a 3.5 CNY (US\$0.51) increase or roughly 0.45% compared to the previous close. The trading volume is 199,197, and the open interest is 735,465.

Given China's expanding economy, investors are closely monitoring the iron ore market, which is critical for the nation's industrial and construction sectors. The recent surge in iron ore futures is a positive trend for the industry and may affect global markets due to China's significant influence on worldwide economic growth.

## **Capesize:**

The segment experienced a decrease in demand across all basins following the Easter holiday. In addition, the flow of cargo was disrupted by a cyclone in Western Australia, leading to a slowdown in port operations. However, towards the end of the week, there were some positive developments in the Pacific basin, with signed contracts from iron ore shippers resulting in an improvement in rates. The Pacific r/v saw rates close at approximately US\$11,500 per day at closing. Meanwhile, there was a minor recovery in the northern region of the Atlantic basin, although ships from the Pacific that are seeking higher contract prices are still heading toward Brazil. T/A levels experienced a slight dip, settling around the US\$12,800 per day range. These mixed trends suggest that while there are some positive signs of recovery in specific regions, the industry continues to be impacted by fluctuations in demand and disruptions. It will be interesting to monitor how these developments unfold in the coming weeks and months.

## **Panamax / Kamsarmax:**

The week started with a decline in the segment due to listless coal demand and slow post-holiday recovery. India's coal imports have increased, but high inventory levels and monsoon rainfall forecasts have slowed down imports. Despite a dip in South American cargo flows, there has been an increase in FFA in the Atlantic, leading to climbing rates. T/A has reached levels around US\$12,350 per day, while F/H routes have hit the US\$22,300 region. In the Pacific, new cargo imports on major routes have slightly increased, and spot ships in the region have remained steady. Pacific – India closed at around US\$12,650 a day, while Pacific r/v has improved with rates in the US\$13,800 per day region.

## **Supramax / Ultramax:**

Ahead of the Eid holidays, Supramax activities increased in both basins this week, recovering from the previous week's slump. Most routes saw steady gains at closing, with NOPAC rates averaging around US\$ 10,600 per day, and Inni r/v climbing higher to the US\$9,400 per day range. In the Atlantic, rates turned with more activities, resulting in firmer rates from the USG. T/A levels closed around US\$16,800 per day, while F/H levels climbed to US\$21,400 per day.

## **Handysize:**

In the Atlantic, there is a tight supply against demand, with a steady cargo flow in South America. Rates saw some improvement ahead of the weekend, with T/A closing around the US\$10,000 per day range. In the Pacific, the market is being supported by a steady demand for ships in NE Asia, with an increase in cargo inflow from Indonesia just before Eid. Inter-Pacific route levels climbed to US\$7,250 per day.

## Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
ULTRA PANACHE	PANAMAX	78,450	2011	JAPAN	21.0	GREEK BUYERS
YING HAO 03	PANAMAX	76,037	2012	S. KOREA	18.0	UNDISCLOSED
NAVIOS ANTHOS	PANAMAX	75,798	2004	JAPAN	11.25	UNDISCLOSED
GLOBAL ROYAL	ULTRAMAX	61,211	2022	CHINA	34.0	UNDISCLOSED
ALL STAR ATLAS	ULTRAMAX	63,250	2014	CHINA	24.5	UNDISCLOSED
SUN	ULTRAMAX	63,672	2013	CHINA	23.5	UNDISCLOSED
NEWPORT EAGLE / MONTAUK EAGLE / SANKATY EAGLE	SUPRAMAX	57,970	2011	CHINA	16.0 EACH	UNDISCLOSED (CASH + SHARES)
SANIA	SUPRAMAX	57,011	2010	CHINA	14.0	UNDISCLOSED
ASIAN TRIUMPH	SUPRAMAX	56,538	2012	CHINA	14.8	UNDISCLOSED
LADY LAURA	HANDY	31,945	2008	JAPAN	12.0	UNDISCLOSED
HONG KONG SPIRIT	HANDY	32,491	2011	CHINA	11.0	UNDISCLOSED
NORD SETOUCHI	HANDY	28,204	2010	JAPAN	10.8	INDONESIAN BUYERS

## Dry Bulk Values (Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
CAPE	180,000	61	64	53	32	15
KAMSARMAX	82,000	34	39	32	24	10
SUPRAMAX	56,000	32	38	31	21	10
HANDY	38,000	29	31	26	18	8

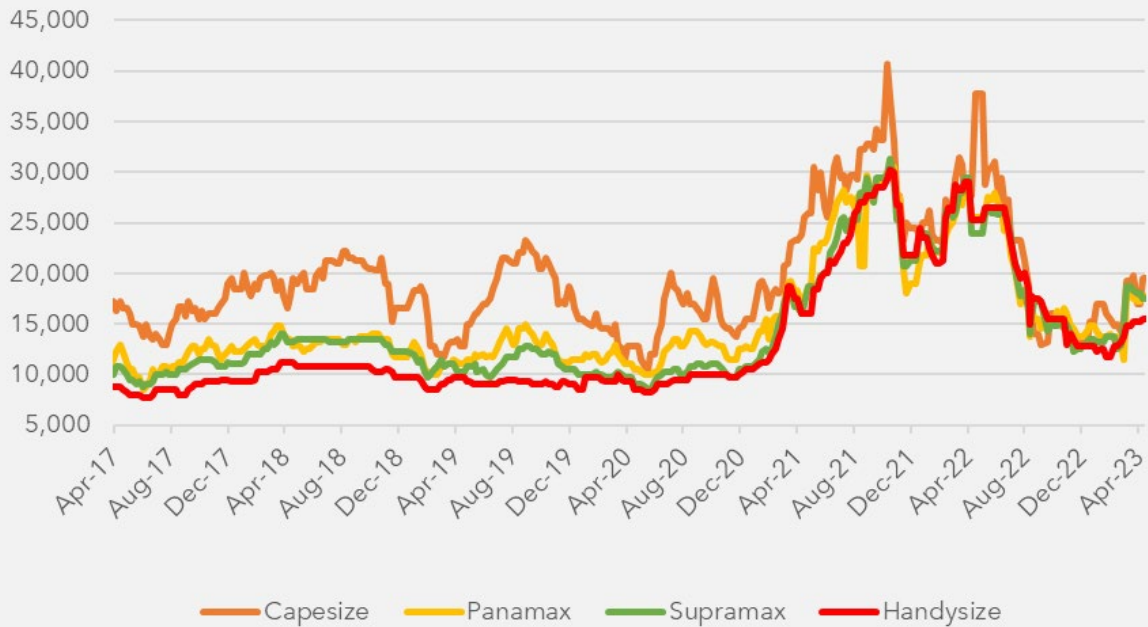
*\*(Amount in USD million)*

## Baltic Exchange Dry Bulk Indices

BALTIC EXCHANGE DRY BULK INDICES					
	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDI	1,432	1,435	2,307	-0.21%	-37.93%
BCI	1,778	1,850	1,845	-3.89%	-3.63%
BPI	1,677	1,702	3,004	-1.47%	-44.17%
BSI	1,179	1,096	2,678	+7.57%	-55.97%
BHSI	650	628	1,504	+3.50%	-56.78%

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	19,750	20,000	28,500	-1.25%	-30.70%
PANAMAX	75,000	16,500	16,300	26,500	+1.23%	-37.74%
SUPRAMAX	52,000	15,500	15,500	27,000	0	-42.59%
HANDYSIZE	32,000	12,000	12,150	23,250	-1.23%	-48.39%

Dry Bulk 1 year T/C rates



## **Tankers**

This week, the oil market saw a decline in prices as concerns over demand outweighed those of supply. This was further reinforced by expectations of more US rate hikes, which strengthened the value of the US dollar. Despite a reported inventory draw of 4.6 million barrels for the week ending April 14, oil traders were more concerned with the potential for further rate hikes by the Fed. The anticipation of at least one more rate hike next month is causing economic worries for oil traders, and the expected boost in demand from China is not enough to offset these concerns.

Furthermore, China's stronger-than-expected GDP growth was not reflected in industrial production and fixed asset investments, which fell short of expectations and contributed to the drop in oil prices. Overall, the oil market remains cautious as it continues to balance concerns over demand, supply, and economic factors.

Meanwhile, according to BIMCO, the prices of secondhand crude tankers have reached their highest levels in 25 years due to the reconfigured global oil trade after Russia's invasion of Ukraine. The combined value of five-year-old Aframax, Suezmax and VLCC has surged to US\$231m, compared to US\$138.5m in December 2020, with the value of a five-year-old ship rising by an average of 67% since December 2020 and by 34% over the past year.

The outlook for the crude tanker segment is bright as the EU sanctions against Russia will most likely remain in place and the IEA expects global oil consumption to exceed 2019 levels next year. The upward trend that the segment has been enjoying is likely to continue into the third quarter. The increase in demand for crude tankers, coupled with limited supply, has led to a surge in prices, resulting in higher profits for owners and operators of such vessels.

### **VLCC:**

Before the OPEC+ production cuts began in May, there was a surge in demand for the market, resulting in a 6.4% increase in the Middle East and China sections of the market. However, the US market did not experience the same growth due to the decrease in the Brent/WTI spread. As a result, there has been a decrease in trade volume between the Atlantic and Asian routes, which is attributed to the declining competitiveness of crude oil exports. This week MEG/ China rates for 270,000 mt fell to WS65 while USG was lower around WS44.

### **Suezmax:**

At the beginning of the week, there was an increase in crude oil imports due to the resumption of refinery and terminal operations following the suspension of strikes. However, supply chain disruptions are expected to continue as strikes resume later in the week ahead of the ruling on the pension reform bill. Expectations of increased supply are counterbalanced by the disruptions caused by the strikes. Black Sea and Med regions did not fare so well this week. 135,000mt CPC to Med close lower around WS145.

## **Aframax:**

Last week, the N. Sea Aframax market declined due to low activity and the dominance of relets for their own cargoes. Rates fell for 80,000mt Hound Point/Wilhelmshaven this week to WS128. Suezmaxes also contributed to the downward pressure by absorbing significant volumes for local runs. Med regions also saw a similar decline, with 80,000mt Ceyhan/Lavera slipping to WS147.

## **Clean:**

LR saw a slowdown in trading between Asia and Europe with an increase in ship supply to East Suez, resulting in an 8.5% weekly decline in the MEG/Japan segment. LR1 segment saw some slight improvements this week in the UKC-WAF route but tightness in cargoes remains. TC5 hovers around WS190s levels. MR market on the other hand was under pressure with a lack of tonnage in the West. Rates remain subtle with TC2 closing at WS283.

## **Tankers S&P Report**

<b>VESSEL NAME</b>	<b>TYPE</b>	<b>DWT</b>	<b>YEAR</b>	<b>BUILT</b>	<b>PRICE (MILLION) USD</b>	<b>COMMENTS / BUYERS</b>
PRINCESS MARY	VLCC	306,206	2004	JAPAN	51.0	CHINESE BUYERS
RIDGEBURY LESSLEY B / RIDGEBURY ELIZABETH B	SUEZ	158,319 158,574	2013 2011	S. KOREA	101.5 EN BLOC	NAVIG8
PRO ALLIANCE	AFRA	105,348	2008	S. KOREA	37.0	UNDISCLOSED
PIKE	LR1	73,723	2008	CHINA	22.5	UNDISCLOSED
KIRIBORA	MR	50,044	2013	S. KOREA	33.5	UNION MARITIME
DEE4 ELM	MR	47,401	2009	JAPAN	25.0	UNDISCLOSED
MAERSK MICHIGAN	MR	47,047	2003	JAPAN	14.7	UNDISCLOSED
PATANI	PROD / CHEM	16,611	2009	CHINA	12.5	EUROPEAN BUYERS

## **Tankers Values**

(Weekly)

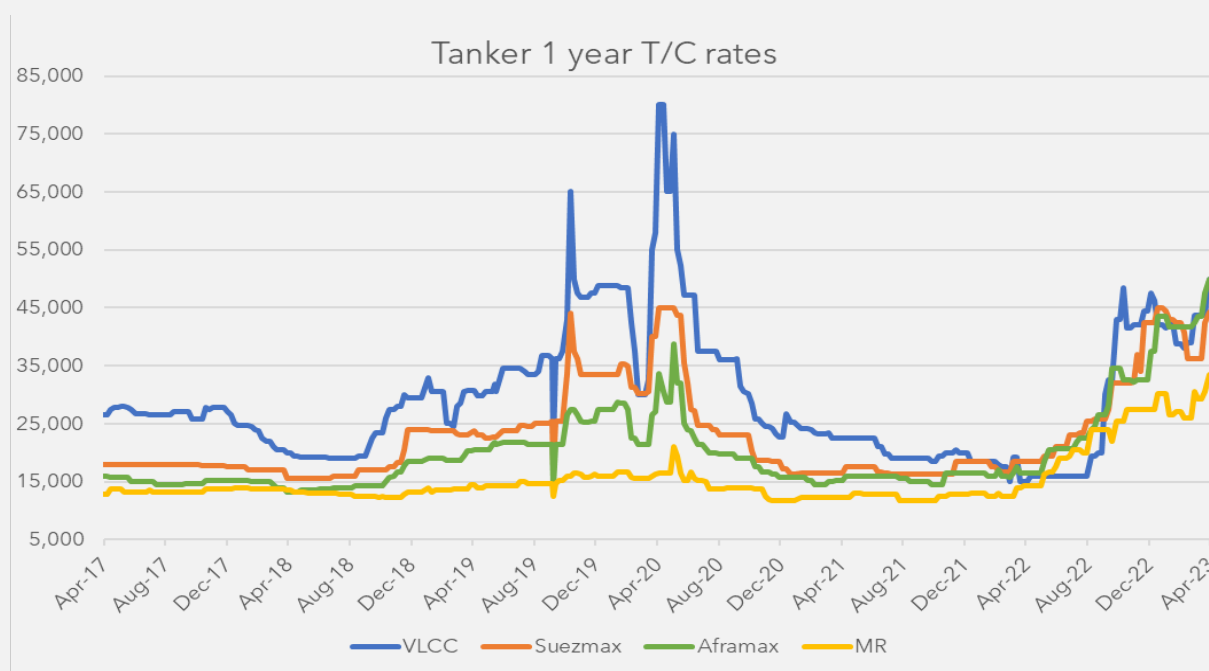
<b>TANKERS</b>	<b>DWT</b>	<b>NB CONTRACT</b>	<b>NB PROMPT DELIVERY</b>	<b>5 YEARS</b>	<b>10 YEARS</b>	<b>20 YEARS</b>
VLCC	310,000	120	125	100	76	52
SUEZMAX	160,000	81	85	68	53	30
AFRAMAX	115,000	65	77	62	52	29
PANAMAX-LR1	73,000	55	60	50	40	18
MR TANKER	51,000	45	50	42	34	19

\*(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	1,146	1,242	1,465	-7.73%	-21.77%
BCTI	1,014	958	1,076	+5.85%	-5.76%

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	40,000	42,500	16,000	-5.88%	-150.00%
SUEZMAX	150,000	42,500	42,500	19,500	0	-117.95%
AFRAMAX	110,000	47,500	50,000	18,500	-5.00%	-156.76%
LR1	74,000	35,500	35,500	15,750	0	-125.40%
MR	47,000	30,000	31,000	16,250	-3.23%	-84.62%



## Containers

The container segment appears to have hit its bottom and is beginning to recover from it, according to multiple reports. Enquiries for secondhand tonnage remain strong, and charter rates are increasing, while the Drewry World Container Index rose by 4% in the past week alone. The speed of container ships has also reduced to new lows, and the inactive container ship fleet has shrunk for the third consecutive fortnightly period. Analysts predict that liners will aim to firm up the spot market to sustain higher contract rates in the coming summer. Charter rates are increasing for most ship sizes, and period employment is also growing longer. Outlook looks positive for the segment in general.

## Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
MAERSK SURABAYA	POST PMAX	8,401	2006	S. KOREA	40.25	UNDISCLOSED
STONEWELL BRILLIANCE	FEEDER	1,687	1994	GERMANY	3.45	TURKISH BUYERS

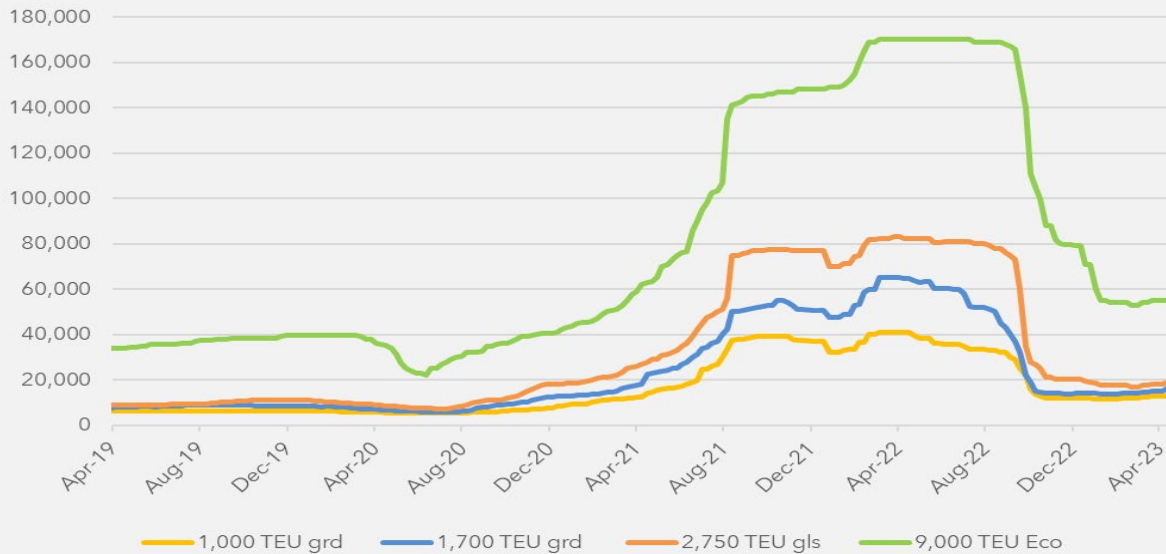
## Containers Values

(Weekly)




CONTAINERS (by TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 – 1,200	Geared	23	22	15	10	8
1,600 – 1,800	Geared	29	28	22	15	11
2,700 – 2,900	Gearless	42	37	30	20	14
5,500 – 7,000	Gearless	87	82	70	45	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) *For green ship recycling, the prices are about US\$25-30/ton lower.	540 ~ 550	520 ~ 530	530 ~ 540	570 ~ 580	WEAK / 
CHATTOGRAM, BANGLADESH	*580 ~ 590	*560 ~ 570	*540 ~ 550	*600 ~ 610	WEAK / 
GADDANI, PAKISTAN	NA	NA	NA	NA	NA
TURKEY *For Non-EU ships. For EU Ship, the prices are about US\$30-40/ton less	320 ~ 330	310 ~ 320	300 ~ 310	330 ~ 340	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.
- \* Prices are based on the subject Letters of Credit opening and case-to-case buying.

## 5-Year Ship Recycling Average Historical Prices

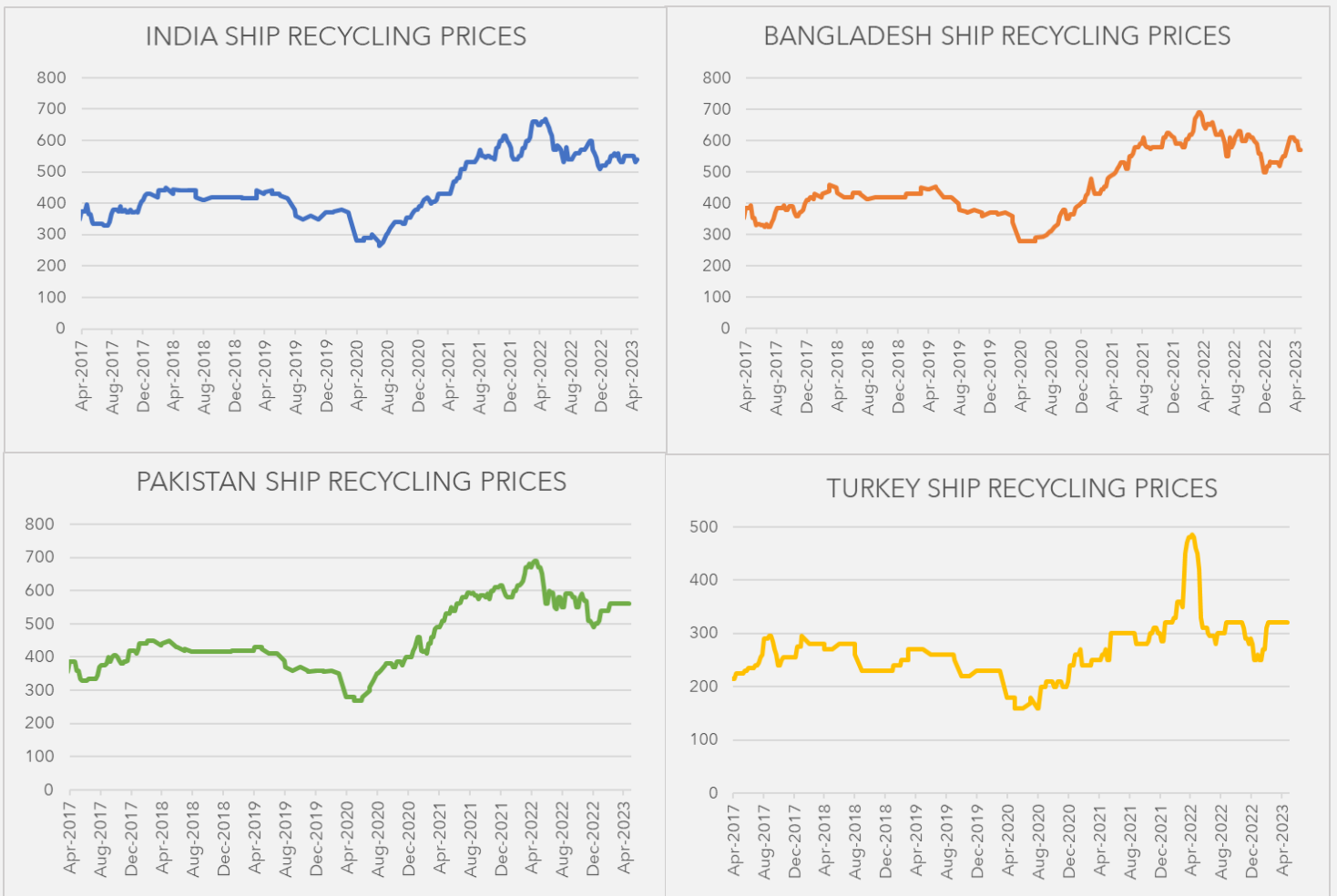
(Week 16)

DESTINATION	2018	2019	2020	2021	2022
ALANG, INDIA	450	450	350	470	685
CHATTOGRAM, BANGLADESH	430	455	330	480	660
GADDANI, PAKISTAN	420	430	320	470	680
ALIAGA, TURKEY	290	280	210	255	460

## Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US\$/LDT)	COMMENTS
SIAM OCEAN	7,996	1995 / JAPAN	WOODCHIP	560	DELIVERED CHATTOGRAM / HKC AND MOL-APPROVED YARD
MSC PILAR	23,740	1990 / DENMARK	CONTAINER	550	DELIVERED ALANG / HKC AND MSC-APPROVED YARD WITH ABT. 400 MT ROB INCLUDED IN SALE
OCEAN GREAT	6,311	1993 / JAPAN	BULKER	560	DELIVERED CHATTOGRAM
GREEN KARMOY	2,990	1989 / NORWAY	REEFER	UNDISCLOSED	DELIVERED ALANG / HKC-COMPLIANT RECYCLING
ATLANTIC RAY	2,461	1991 / TURKEY	GEN.CARGO	620	DELIVERED CHATTOGRAM / OLS SALE
SUNNIE	6,013	1992 / JAPAN	BULKER	570	DELIVERED CHATTOGRAM

## Recycling Ships Price Trend



## **Insight**

The Sub-Continent markets and Turkey were closed for the Eid holidays this week, resulting in a relatively quiet market. However, there has been a noticeable increase in the supply of end-of-life ships this week. This trend is particularly evident in the large number of older bulk carriers and container segments from the early to late 1990s that are now pushed for sale.

Owners of these ships, especially from the Far East region, have started to screen the prevailing recycling pricing they can achieve for such assets. The fear is that the number of such ships is growing daily as most of them are on their extreme last leg of trading. A vast majority of ship owners are looking to give one last try to see if there are any potential trading interests before they can take a final call on putting them up for recycling.

An interesting sale reported this week was the Mitsui Osk Lines (MOL) woodchip carrier, which was sold to PHP Shipbreaking in Bangladesh for a price of US\$560/ton and on the other hand, MSC sold their older container ship, the "M.S.C. Pillar," weighing 23,740 tons, to Alang recyclers at US\$550/ton.

Next week, Gearbulk Holding's general cargo ship "Kumul Arrow" weighing about 10,965 tons, will be on the negotiating table for the Alang recyclers. These transactions indicate that there is a shift occurring in the industry, where the growing supply of ships is expected to lead to a subsequent decrease in prices.

Ship recyclers will be closely monitoring the situation in the coming weeks to see if this trend continues.

As time marches on, the clock is ticking for ship owners of mothballed / under-tow vessels as they must make a critical decision before the monsoon season approaches. The ships that are located far distances from the Sub-Continent must be towed before early May, as insurance underwriters typically impose strict deadlines for their voyage to the recycling yards.

Traditionally every year, the maximum time frame for towing such vessels is until the second week of May, after which they must wait until the end of August. The ship recycling industry experiences a lull during the monsoon period, making it crucial for ship owners aiming to maximize their profits and avoid costly delays.

The worldwide steel industry has experienced a sluggish demand for semi-finished and finished steel this month, with markets globally witnessing a slowdown. Despite this, the overall state of

the industry remains positive. The World Steel Association has recently released an updated forecast for the short-term outlook of global steel demand in 2023 and 2024. In a positive turn of events, the association has revised its earlier predictions and now expects a 2.3% increase in demand, bringing the total demand to 1.822 billion tonnes in 2023, despite the high-interest rates worldwide.

<b>STEEL DEMAND FORECAST, BY REGION, MILLION TONS</b>		
<b>REGION</b>	<b>2023</b>	<b>Y-O-Y</b>
Asia & Oceania	1,303.6	+2.9
China	939.3	+2
EU-27 & UK	151.3	-0.4
USMCA	135	+1.6
Middle East	52.4	+2.2
CIS & Ukraine	51.5	-3.5
Rest of Europe	42.1	+7.4
Central & South America	46	+1.4
Africa	40.5	-0.2
<b>World</b>	<b>1,822.3</b>	<b>+2.3</b>

## **ALANG, INDIA.**

In the ship recycling industry, it has been a relatively quiet week, with domestic ship scrap prices inching down due to weak demand but, by large, remaining moderately stable. One notable sale was the MSC Pilar, weighing approximately 23,740 tons, which was reported to have sold at US\$550/ton. This marks the fifth ship that MSC has sold to Alang in the past four months.

Despite a weak ship supply this year, yet, Alang has managed to beach a total of 44 ships, weighing 307,423 light displacement tons. However, this falls short of their neighboring competitor, Bangladesh, which has done 55 ships totaling 399,531 light displacement tons.

Recyclers in Alang are currently facing a daunting challenge, securing non-green ships has become increasingly arduous. This is due to the substantial price differential between Alang and their competitors in Chattogram, leaving the recyclers struggling to maintain their business operations.

The stark difference in pricing has made it challenging for Alang's recyclers to stay competitive in the market, resulting in difficulties in sustaining their businesses. Consequently, most recyclers have diversified their business activities, leaving only a small number of recyclers still willing to acquire ships in these circumstances.

## Anchorage & Beaching Position (April 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
MSC NORA II	CONTAINER	10,611	20.04.2023	AWAITING
AUGUSTA II	TANKER	9,920	13.04.2023	22.04.2023
AUGUSTA II	TANKER	9,920	13.04.2023	22.03.2023
MSC VERONIQUE	CONTIANER	23,450	18.04.2023	21.04.2023
AL	FISHING	1,622	15.04.2023	20.04.2023
LEONARD	CONTAINER	7,852	07.04.2023	12.04.2023
ICE	DRILLSHIP	9,646	31-03-2023	08.04.2023
HALUL 21	OSV	1,406	24.03.2023	07.04.2023
HALUL 20	OSV	1,395	24.03.2023	07.04.2023

### CHATTOGRAM, BANGLADESH

The ship scrapping industry experienced a quiet week amid the long Eid festival holidays. Domestic ship scrap prices have stabilised, and industry experts believe that the market has reached its bottom for the time being. However, the looming issue of Letters of Credit remains as banks continue to tighten the flow of foreign exchange.

In a historic move for Bangladesh, Mitsui O.S.K. Lines Ltd. (MOL) has sold its aging woodchip carrier to PHP Shipbreaking in Chattogram. This sale marks another significant milestone for PHP Shipbreaking, as it becomes the only yard in the region to receive a vessel, in contrast to the 10 Alang yards. It is worth noting that MOL has a strict policy of selling its ships only to yards identified by them, limiting the total number of recycling yards to 11.

As the market prepares for post-Eid purchasing, attention is shifting towards the supply of ships, which is expected to ease in the near future. This may result in a drop in prices as the market adjusts to the changing conditions. Ship recyclers are closely monitoring the market to determine the direction of prices in the coming weeks.

## Anchorage & Beaching Position (April 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
HAN	REEFER	2,181	18.04.2023	AWAITING
SUNNY 1	BULKER	21,215	15.04.2023	AWAITING
AGIA TRIAS	BULKER	22,142	12.04.2023	AWAITING
ROWAN	GEN. CARGO	2,755	07.04.2023	AWAITING
PI, EX-BORTO JOYO	FSO	12,038	16.03.2023	20.04.2023
GRACE ENERGY	LNG	30,426	14.04.2023	20.04.2023
SUNNINE	BULKER	3,013	15.04.2023	19.04.2023

IDA	TANKER	9,827	07.04.2023	18.04.2023
LILY BREEZE	BULKER	9,989	07.04.2023	18.04.2023
SALAMIS	TANKER	9,238	04.04.2023	19.04.2023
SUN BULK	BULKER	7,553	07.04.2023	11.04.2023
YUNG DA FA 102	REEFER	1,736	04.04.2023	10.04.2023
SHRAVAN	CONTAINER	7,398	20.03.2023	09.04.2023
ADRIATIC ENERGY	LNG	32,303	27.03.2023	08.04.2023
VIR	BULKER	10,540	31.03.2023	08.04.2023
Z STAR	GEN. CARGO	6,537	03.04.2023	07.04.2023
SENTO	CONTAINER	2,726	30.03.2023	07.04.2023
HUTCH	CONTAINER	8,302	01.04.2023	06.04.2023
YU HAI	BULKER	5,017	01.04.2023	06.04.2023

### **GADDANI, PAKISTAN**

Currently, the ship recycling industry remains at a standstill with no activity taking place. Recyclers are optimistic that the government will announce firm plans to make long-awaited loans available after the Eid holidays, which will help to revive the industry and jumpstart business activity once again.

This week, The Pakistan Association of Large Steel Producers (PALSP) informed Prime Minister that more than 80% of steel bars sold in Balochistan are being smuggled into the country from Iran, causing a major blow to local manufacturers. The smuggled steel is reaching Lahore, Karachi, and other cities due to weak security apparatus.

PALSP Secretary General claims that around 500,000 tonnes of steel bars are being smuggled into Pakistan from Iran and Afghanistan, causing an annual revenue loss of Rs25 billion to the national exchequer. PALSP warns of implications related to money laundering as there is no formal banking channel between the two countries. He suggests that the import of steel should be allowed only through sea routes to effectively counter the threat posed by smuggling. The local steel industry is already struggling due to currency depreciation and high financial and input costs, and the unchecked inflow of smuggled steel has created survival challenges for the industry. Production activity has come to a halt due to a shortage of raw materials, and many units are working on a small fraction of their capacity. Despite repeated requests, the government has not taken any effective measures to control this illegal activity.

### **Anchorage & Beaching Position (April 2023)**

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

## **ALIAGA, TURKEY**

The demand for ferrous scrap in Turkish mills is currently low due to various unfavourable market conditions. These include uncertain market sentiment, the upcoming Turkish elections, the upcoming Eid holidays, and poor steel sales. The lack of demand from mills is largely due to the poor sales of steel products, which has resulted in reduced capacity utilization and a lower requirement for scrap.

Market participants do not expect any improvement in Turkey's scrap demand or steel sales until after the elections on May 14. This situation has prompted short-sea suppliers to become more flexible with their prices, with some accepting lower prices in the current market. While some people have speculated that prices could potentially reach \$420/t levels, Turkish mills are currently not giving bids at these levels.

Overall, the market sentiment remains subdued, and mills are hesitant to purchase ferrous scrap until the market conditions improve. The lack of foreign currencies and the inability to obtain loans further exacerbate the challenging market conditions for the mills.

### **BEACHING TIDE DATES 2023**

Chattogram, Bangladesh : 20<sup>th</sup> ~ 23<sup>rd</sup> April | 5<sup>th</sup> ~ 8<sup>th</sup> May

Alang, India : 18<sup>th</sup> ~ 25<sup>th</sup> April | 4<sup>th</sup> ~ 11<sup>th</sup> May

## **Bunker Prices**

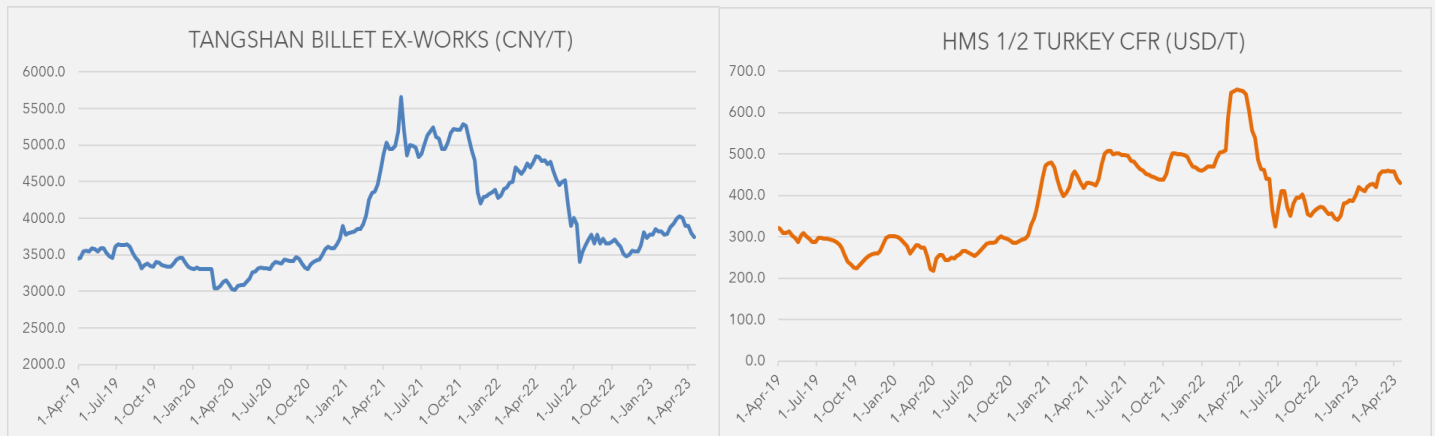
<b>BUNKER PRICES (USD/TON)</b>			
<b>PORTS</b>	<b>VLSFO (0.5%)</b>	<b>IFO380 CST</b>	<b>MGO (0.1%)</b>
SINGAPORE	598	479	726
HONG KONG	613	498	723
FUJAIRAH	595	458	1000
ROTTERDAM	558	470	734
HOUSTON	587	442	758

## Exchange Rates

EXCHANGE RATES			
	21st APRIL	15th APRIL	W-O-W % CHANGE
USD / CNY (CHINA)	6.88	6.86	-0.29%
USD / BDT (BANGLADESH)	106.17	106.47	+0.28%
USD / INR (INDIA)	82.09	81.81	-0.34%
USD / PKR (PAKISTAN)	283.43	284.24	+0.28%
USD / TRY (TURKEY)	19.40	19.34	-0.31%

## Commodity Prices

### HMS 1/2 & Tangshan Billet



## Iron Ore

COMMODITY	SIZE / GRADE	PRICE/ MT	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\$107	+0.94%	-7.75%	US\$106	US\$116
Iron Ore Fines, CNF. Rizhao, China	Fines, Fe 62% (Australia Origin)	US\$118	-0.84%	-21.33%	US\$119	US\$150

## Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	401.75	-1.50	-0.37%	Jul 2023
3Mo Copper (L.M.E.)	USD / MT	8,881.00	-84.50	-0.94%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,421.00	-24.00	-0.98%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,770.00	-20.00	-0.72%	N/A
3Mo Tin (L.M.E.)	USD / MT	26,940.00	-142.00	-0.52%	N/A

## Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	77.40	+0.03	+0.04%	Jun 2023
Brent Crude (ICE.)	USD / bbl.	81.09	-0.01	-0.01%	Jun 2023
Crude Oil (Tokyo)	J.P.Y. / kl	66,100.00	-1,550.00	-2.29%	Jun 2023
Natural Gas (Nymex)	USD / MMBtu	2.23	-0.02	-1.07%	May 2023

*Note: all rates as at C.O.B. London time April 21, 2023.*

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 person 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.