



WEEKLY REPORT

WEEK 24 – June 17, 2023

This week, the Federal Reserve opted not to raise interest rates for the 11th consecutive time as it evaluates the impact of its previous hikes. However, the central bank indicated that two more quarter-point increases are likely by the end of the year. Fed Chair Jerome Powell acknowledged that the effects of the tightening measures are yet to be fully realized.

The Fed intends to assess the outcomes of its policies over the next six weeks as it contends with inflation concerns. The median expectation among members is a funds rate of 5.6% by the close of 2023, implying two additional hikes this year.

On the other hand, European Central Bank diverges from FED, raising interest rates by 25 basis points to 3.5% in light of taming the record-high inflation across the region.

While in China, the economic recovery showed signs of weakening in May, based on the data released on Thursday, as growth in industrial output and retail sales slowed, increasing pressure on policymakers to implement stronger stimulus measures. According to the National Bureau of Statistics, industrial production rose by 3.5% compared to the previous year, in line with economists' expectations. However, retail sales saw a smaller increase of 12.7%, falling short of the anticipated 13.7% rise. Fixed-asset investment growth also slowed to 4% in the first five months of the year, below the predicted 4.4% upturn. The urban jobless rate remained unchanged at 5.2%.

China's economy, which experienced an initial surge in the first quarter following the lifting of pandemic restrictions, has faced several challenges recently. Weak business and consumer confidence, a struggling property market, and declining global demand for exports are among the headwinds hampering the recovery. As a result, the People's Bank of China has shifted its focus to monetary easing, with further interest rate cuts and reductions in bank reserve requirements expected. Additionally, policymakers are considering a comprehensive stimulus package to support the real estate sector and domestic demand.

However, the pressing issue of youth unemployment, which reached a record high of 20.8% in May, poses a significant and persistent threat that cannot be easily addressed through stimulus measures alone.

In the ship new building sector, Chinese shipbuilders experienced a substantial increase in new vessel orders from January to May, according to the China Association of the National Shipbuilding Industry (CANSI). The data revealed that orders reached 26.45 million DWT, soaring by 49.5% compared to the same period last year, with 91.3% of the orders designated for exports. In May alone, shipyards in China secured new orders totaling 6.6 million DWT, representing a 41.3% increase from April.

During the first five months of the year, Chinese shipbuilders completed vessels equivalent to 16.47 million DWT, a year-on-year increase of 15.4%, with 85.1% of these vessels intended for export. The statistics also indicated a 15.5% increase in the order backlog, settling at 117.99 million DWT by the end of May. The total value of Chinese new building ships exports during this period amounted to US\$8.86 billion, rising by 21.1% Y-O-Y. Bulk carriers remained the dominant vessel type, accounting for 55% of completed vessels and 42.1% of new orders.

The top 10 shipbuilding enterprises in China completed 69.6% of all vessels, while Jiangsu province played a significant role with over 8 million DWT in completed vessels. Chinese shipbuilders accounted for a substantial portion of global new orders, order backlog, and completed vessels, representing 67.3%, 51.6%, and 48.1%, respectively, during the past five months.

Dry Bulk

The Baltic index continued its upward trend, supported by stronger rates for various types of shipping vessels. On Thursday, the BDI index rose for the tenth consecutive session, reaching its highest level since May 30, with a gain of 15 points, reaching 1,094. The BCI increased by 19 points to 1,599. Capesizes, known for transporting substantial cargoes like iron ore and coal, saw their average daily earnings rise to US\$13,258.

This increase in trade volumes can be attributed to miners' ramp-up activity at the end of their financial year in June. Meanwhile, BPI rose by 21 points or 1.8% to 1,184, and the average daily earnings for Panamax vessels increased to US\$10,658. The BSI index also saw an increase of 11 points, reaching 740 points.

Meanwhile, the demand for Capesize ships has experienced growth due to a 4% rise in the average distance traveled for shipments. This increase is primarily driven by higher exports from Brazil and Guinea, as well as greater volumes of long-haul Russian coal. This improved balance in demand and supply has allowed shipping rates to recover from the low levels observed between August 2022 and February 2023.

Capesize:

The recent rebound in steel and iron ore prices is primarily driven by Chinese government policy rather than actual demand recovery. Expectations and restrictions on steel production are expected to limit further recovery in the freight rate market. In the Atlantic, market sentiment was somewhat dampened by the decline in the FFA market of the previous week, but new cargoes in North America remain consistent with a slight increase in inflow. Spot vessels in the North are responding to owners' quotes and, with that, saw a rise in rates. T/A closed higher, settling around US\$ 9,350's a day, with ECSA F/H routes also seeing positive in the regions of US\$ 30,150's. In the Pacific, there was increased activity, but levels remain under pressure settling slightly lesser than the previous at US\$14,850 a day.

Panamax/Kamsarmax:

Despite successfully achieving a short-term low by resisting long-term decline, the factor contributing to supply-demand improvement remains uncertain. While international coal prices have been decreasing, only a portion of the demand for low-priced supplies has shifted to China due to its oversupply of coal. At closing, North Atlantic experienced a rise in activity as new cargo inflows increased, providing some relief from the pressure caused by available vessel supply. T/A saw levels improve to US\$8,375/day. In the Pacific, demand from SE Asia remained steady, and there was also an increase in new cargo inflow from NE Asia, contributing to the ongoing recovery. Pacific r/v levels climb to US\$ 10,250's at closing.

Supramax/Ultramax:

Despite the rebound of the top liner, demand continues to decline further. There are delays in Egypt's payment for grain imports due to a shortage of dollars. In the Atlantic, both the T/A and F/H routes are experiencing heightened activity, but due to insufficient cargo supply, rates came under pressure slipping to US\$ 11,450's for T/A while F/H to around US\$ 17,300's a day. Pacific saw an uptick in the cargo volume y-o-y with a bustling start to summer. Levels in the Pacific r/v recorded higher at US\$ 7,900's/day.

Handysize:

In the Atlantic, although spot vessels available last week have been absorbed, overall, the region remains relaxed, contributing to continued downward pressure. T/A levels remain unchanged throughout the week closing at US\$ 7,500's range. On the other hand, in the Pacific, the spot ships that were causing pressure in the market have been somewhat regulated. Levels in the Pacific r/v saw improvements, close to the average of US\$ 6,700's a day.

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
HEREUN ZHOUSHAN / HERUN ZHEJIANG	CAPE	181,056	2017	CHINA	41.5 EACH	GREEK BUYERS
ZAMPA BLUE	CAPE	178,459	2011	JAPAN	30.0	GREEK BUYERS
SANTA BARBARA	PMAX	76,361	2011	JAPAN	17.7	GREEK BUYERS
BELVEDERE	ULTRA	66,637	2015	JAPAN	27.0	UNDISCLOSED
VICTORIA T	ULTRA	61,266	2017	JAPAN	29.0	UNDISCLOSED
CF DIAMOND	SMAX	57,700	2016	JAPAN	24.0	GREEK BUYERS
ARKADIA / KUMPULA	SMAX	56,348	2012	VIETNAM	17.0 EACH	UNDISCLOSED
STOVE OCEAN	SMAX	55,861	2013	JAPAN	21.0	GEARBULK
AMERICAN BULKER	HANDY	36,228	2016	JAPAN	22.5	S. KOREAN BUYERS
SEASTAR ENDURANCE	HANDY	34,290	2011	CHINA	11.7	EUROPEAN BUYERS

Dry Bulk Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	63	62	50	32	14
KAMSARMAX	82,000	34	38	32	23	9
SUPRAMAX	56,000	33	37	30	20	9
HANDY	38,000	30	31	26	18	7

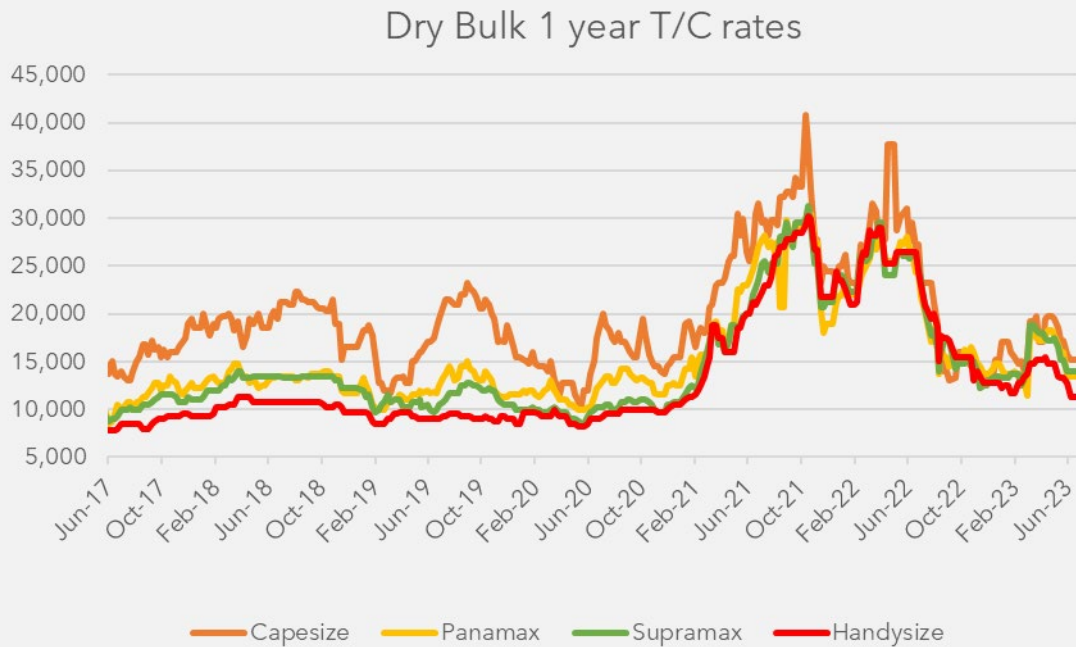
**(amount in USD million)*

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDI	1,094	1,055	2,578	+3.70%	-57.56%
BCI	1,528	1,514	2,987	+0.92%	-48.84%
BPI	1,184	1,146	2,862	+3.32%	-58.63%
BSI	740	736	2,467	+0.54%	-70.00%
BHSI	471	501	1,343	-5.99%	-64.93%

Bulker 12 months T/C rates average (in USD/day)

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
CAPE SIZE	180,000	16,250	16,000	27,250	+1.56%	-40.37%
PANAMAX	75,000	13,000	12,500	24,150	+4.00%	-46.17%
SUPRAMAX	58,000	12,050	12,250	25,000	-1.63%	-51.80%
HANDYSIZE	38,000	11,000	9,350	21,750	+17.65%	-49.43%



Tankers

Crude oil prices started the week by continuing to decline, with WTI dropping below US\$70 in early Asian trade. This decrease was influenced by cautious trading as investors awaited the possibility of the Feds announcing another interest rate hike, despite indications that there might be a pause in the hikes.

Many investment banks anticipate a pause in rate hikes, but a Morgan Stanley analyst expressed the view that further tightening of policies could occur if economic growth remains strong and funding pressures in the banking system persist. The conflicting opinions on oil prices arise from the contrasting perspectives of bearish asset allocators, who focus on monetary contraction, and bullish oil speculators, who anticipate lower inventories in the second half of 2023.

The bank now predicts that Brent crude will finish 2023 at less than US\$90 per barrel, citing expectations of weaker demand and increased supply from Russia, Iran, and Venezuela in the coming year.

The additional production from these countries, estimated at 800,000 BPD, would offset the extra cuts announced by Saudi Arabia during the last OPEC+ meeting, assuming the kingdom decides to extend them into the next year. While Saudi Arabia reduced its output by 1 million BPD, the UAE received permission to increase its output by up to 200,000 BPD.

This week, not many sales were reported in the Tanker segment. The inflated asset prices have put pressure on the market as buyers are in a 'wait and see' mode. Appetite is still there for the units and sales this week do not fully showcase the current demand.

VLCC:

The Middle East/China, WS Weekly index, has seen a significant increase due to strong contracts for shipments scheduled for late June. This rise is further supported by the reduced availability of ships caused by the cyclone in the Indian Ocean, which adds upward pressure on rates. At closing, 270,000mt MEG to China climbed 30 points to WS83 while 260,000mt WAFR to China firmed around WS78.

Suezmax:

The WAFR section of the market witnessed an increase in activity this week due to Nigeria's tax clawback policy. There was an uptick in enquiries in the region, with 130,000mt Nigeria to Rotterdam firming to WS113 while 140,000mt Basrah/Lavera remains around WS60 levels.

Aframax:

Since the end of May, freight rates for MEG/SE Asia routes have been experiencing a downtrend, primarily due to the slowdown in crude oil demand in SE Asia. While the Atlantic shows signs of recovery, the slump in the upper linear market continues to be a burden. However, at the week's closing, rates improved, with 70,000mt EC Mexico/USG climbing a few points to WS216.

Clean:

LR: The eastern Suez region has witnessed a slowdown in new cargo inflow, leading to an increase in the number of available ships. As a result, the MEG/NE Asia segment experienced a significant plunge of 20.5%. Overall the LR market had a quiet week with steady rates. Sentiments remained steady despite limited cargoes and a moderate list. Rates in the MEG strengthened, and owners are hopeful for continued momentum into the next week. Both LRI and LR2 vessels improved, with TC5 reaching nearly WS140. TC16 on the UKC route remained stable around WS125.

MR: The MR market experienced a week of mixed outcomes, with UKC rates weakening, but rates outside the USG strengthening due to increased demand and reduced available tonnage. MEG MR vessels have eagerly anticipated the trickle-down effects of LR improvements throughout the week. The TC17 index has maintained stability at WS235 throughout the entire week.

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
GULF CORAL	LRI	74,999	2009	S. KOREA	28.5	UNDISCLOSED
LAKE STURGEON	LRI	74,993	2007	JAPAN	27.0	UNDISCLOSED
MTM POTOMAC	MR	51,291	2004	S. KOREA	18.0	UNDISCLOSED

Tankers Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	126	125	100	76	52
SUEZMAX	160,000	85	89	74	57	31
AFRAMAX	115,000	67	78	63	52	30
PANAMAX-LRI	73,000	57	60	50	40	20
MR TANKER	51,000	46	50	42	34	20

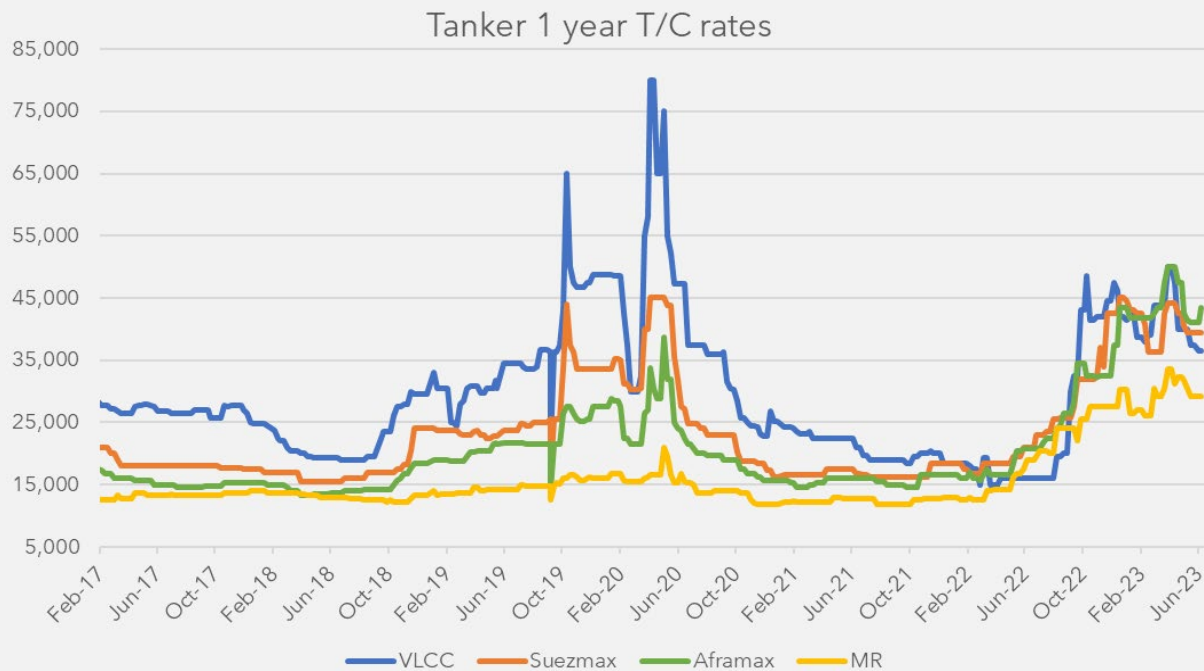
**(amount in USD million)*

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDTI	1,148	1,049	1,205	+9.44%	-4.73%
BCTI	584	608	1,716	-3.95%	-65.97%

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	310,000	36,500	36,500	16,000	0	+128.13%
SUEZMAX	150,000	39,500	39,500	23,000	0	+71.74%
AFRAMAX	110,000	43,500	43,500	20,750	0	+109.64%
LRI	74,000	29,500	35,000	22,500	-15.71%	+31.11%
MR	47,000	26,000	26,000	19,500	0	+33.33%



Containers

The market has recently experienced a decrease in activity. There is a contrasting situation in the market, with sustained demand for Panamax and Post Panamax vessels, while medium-sized units and feeders have seen a slight decline in demand. Despite consistent fixture activity, TC rates for small units fell this week. Levels for 1,000TEU one-year TC hover around US\$13,250. This week, the SCFI spot box freight index experienced a 4.6% w-o-w decline, reaching 934 points. Rates on the Shanghai-USWC route fell by 13% compared to the previous week, reaching US\$1,207/FEU, now 26% below the rates at the beginning of 2020.

Containers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
DURANDE	FEEDER	1,740	2003	CHINA	9.0	UNDISCLOSED

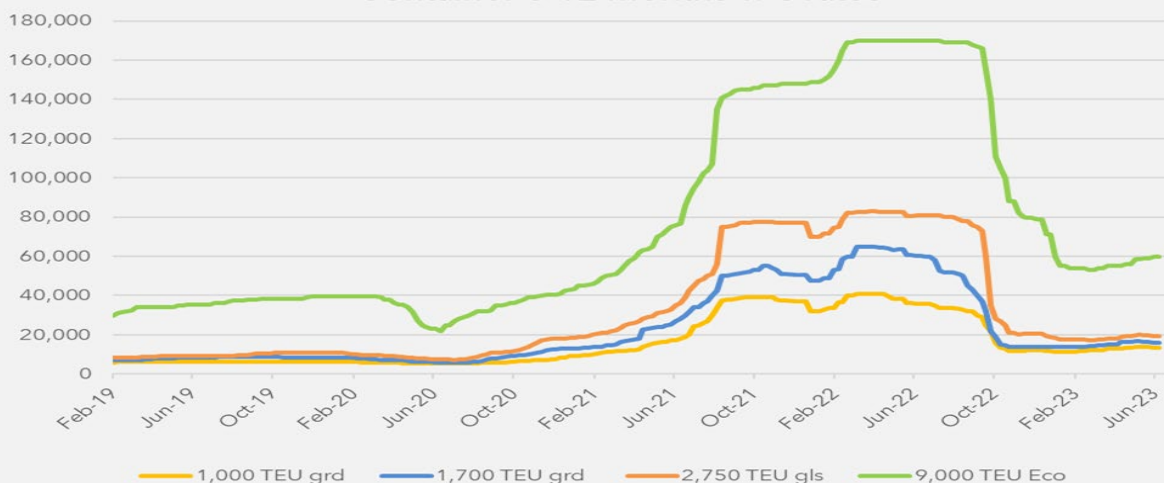
Containers Values

(Weekly)

CONTAINERS (BY TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 – 1,200	Geared	24	22	15	10	8
1,600 – 1,800	Geared	30	28	22	16	12
2,700 – 2,900	Gearless	42	38	30	20	15
5,500 – 7,000	Gearless	92	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) <i>*For green ship recycling, the prices are about US\$10-15/ton lower.</i>	520 ~ 530	500 ~ 510	520 ~ 530	530 ~ 540	STABLE / 
*CHATTOGRAM, BANGLADESH	570~580	560~570	550~560	590 ~ 600	STABLE / 
GADDANI, PAKISTAN	NA	NA	NA	NA	NA
TURKEY <i>*For Non-EU ships. For EU Ship, the prices are about US\$20-30/ton less</i>	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 subject to the availability of the Letters of Credit. Preference for smaller-sized ships.

5-Year Ship Recycling Average Historical Prices

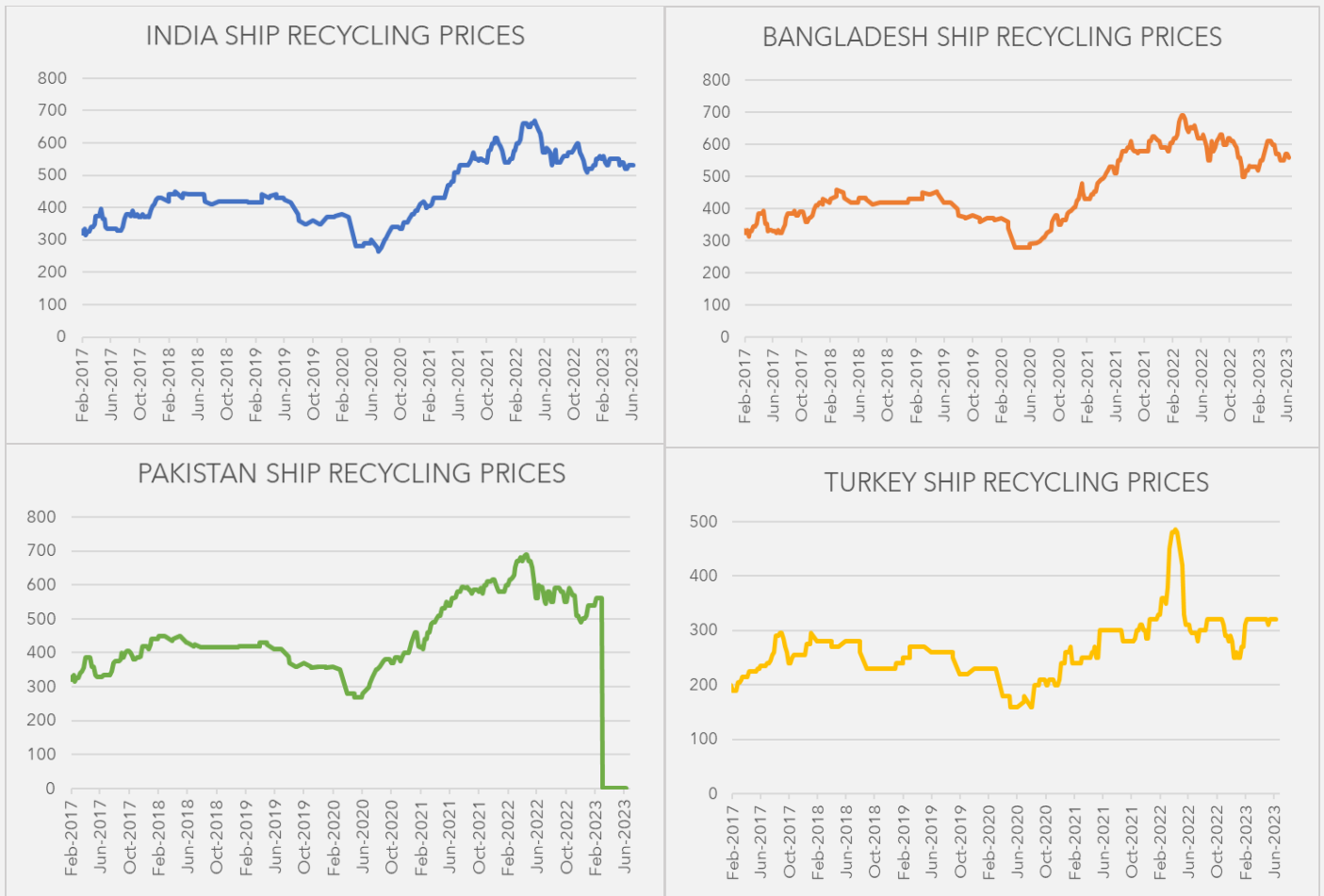
(Week 24)

DESTINATION	2018	2019	2020	2021	2022
ALANG, INDIA	450	425	305	520	625
CHATTOGRAM, BANGLADESH	435	420	300	545	615
GADDANI, PAKISTAN	420	410	305	545	600
ALIAGA, TURKEY	290	270	175	290	320

Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US\$/LDT)	COMMENTS
SCO QINGDAO	3,770	1997 / CHINA	CONTAINER	610	DELIVERED CHATTOGRAM
MSC KERRY	15,580	1995 / POLAND	CONTAINER	545	DELIVERED ALANG / HKC AND MSC APPROVED YARDS / 1,300 MT ROB INCLUDED IN SALE
JIN YUAN XING 9	7,576	1996 / CHINA	BULKER	560	DELIVERED CHATTOGRAM
SHUN HANG WEI WEI	8,207	1991 / JAPAN	BULKER	505	AS IS GUAGDONG / FOR RE-DELIVERY CHATTOGRAM

Recycling Ships Price Trend



Insight

This week witnessed limited activities in the Sub-Continent markets as a subdued atmosphere prevailed. As the monsoon season draws nearer, the demand for ships is showing signs of further weakening.

In the global ferrous scrap import markets, prices have reached a stable level, but certain regions, particularly the Sub-Continent and Turkey, have experienced a slight increase. This upward trend can be attributed to the emergence of new demand from Indian traders, who are willing to pay higher prices. These developments in the imported ferrous scrap market have significant implications for the ship recycling industry, as the two sectors are closely interconnected.

The famous case of FSO Safer resurfaced this week as NGOs urged UNDP to ensure the clean and safe recycling of FSO Safer. A global coalition of human rights and environmental organizations, including the FIDH, BAN, and NGO Shipbreaking Platform, has written a letter to the UNDP, urging the proper recycling of FSO SAFER in accordance with international law and UNDP's ethical and sustainability policies.

The NGOs have expressed concern about the vessel being scrapped at South Asian shipbreaking yards known for their hazardous working conditions and environmental damage. The FSO SAFER is believed to contain toxic substances such as asbestos and mercury-contaminated oil residues. The UNDP is urged to select a recycling destination that complies with international labour rights, ensures the containment of pollutants, and manages hazardous materials safely. The coalition highlights existing alternatives to South Asian yards and emphasizes the importance of environmentally friendly practices.

Alang, India

The Alang recyclers are experiencing gradual improvements in the supply of ships for green recycling, particularly in the container ship segment, as a number of vessels are being placed on a weekly basis.

In the latest development, LNG "Seapeak Polar" a 23,700 tonner, has been placed in the Alang markets for sale as well as six ships weighing a total of 49,045 metric tons in terms of light displacement tonnage have been put up for recycling or further trading sale by Wan Hai. It remains intriguing to see what fate awaits these ships and the levels they will achieve.

The recent sale of another MSC container ship, named "MSC Kerry," has garnered attention as it was reported to have been sold at levels around US\$545/ ton, including approximately

1,300 metric tons of bunkers in the sale price. Without factoring in the significant quantity of bunkers, the ship's price would technically amount to around US\$520/ton.

Just two months ago, a similar vessel would have commanded a price that was US\$40 to US\$50/ton higher. These sales clearly indicate the prevailing price trend in Alang, and if more ships of this type make their way to the market with limited yards approved, it is expected to exert further pressure on prices.

India's GDP has soared to US\$3.75 trillion in 2023, a substantial increase from approximately US\$2 trillion in 2014, according to Union Finance Minister Nirmala Sitharaman. She referred to India as a 'bright spot' in the global economy, emphasising its position as the fifth-largest economy worldwide.

The country's remarkable economic growth, surpassing the UK last year, has secured its position behind only the US, China, Japan, and Germany. Despite facing multiple challenges, India displayed economic resilience with a stronger-than-expected fourth quarter, resulting in a growth rate of 7.2% in FY23, exceeding previous projections.

Anchorage & Beaching Position (June 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
DIADEM	CONTAINER	21,731	17.06.2023	AWAITING
MAERSK ATLANTIC	CONTAINER	5,914	03.06.2023	08.06.2023
SCANLAY-1	PIPE LAY BARGE	1,571	29.05.2023	04.06.2023
KUMUL ARROW	GENERAL CARGO	10,997	29.05.2023	03.06.2023
ENAM	CONTAINER	4,751	24.05.2023	03.06.2023
MSC LUCIA	CONTAINER	8,911	27.05.2023	02.06.2023
NOVO 23	FISH FACTORY	3,861	25.05.2023	02.06.2023

Chattogram, Bangladesh

The Bangladeshi recycling industry is currently experiencing a notably quiet week, primarily due to a significant power shortage. With only about 25 ~ 30% of power being supplied on a daily basis, the industry's activities have slowed down considerably. This unfortunate situation has resulted in severe disruptions at the recycling yards, leading to sluggish sales. It is important to note that the industry was already facing challenges in terms of weak demand prior to the power shortage.

Industry participants anticipate that in the coming months, the markets will gradually adapt to the challenges posed by the Letters of Credit (LC) opening. As inventories begin to dwindle, experts predict that demand will gradually resurface.

The reflection of such has already resumed in the imported ferrous scrap. Demand for containerised material has strengthened in the Bangladeshi imported scrap market, although payment issues remain a concern. Prices have started to increase following a recent decline.

A ray of hope shines on the horizon for LC openings, presenting a welcome turnaround. After struggling with various hurdles, a handful of ships, previously sold and eagerly awaiting LC approvals, have finally received the green light, enabling their entry into Bangladesh. This recent development has infused the market with a renewed sense of optimism. However, it is important to note that this positive outcome has been limited to a specific group of ship recyclers, leaving others without the same opportunities.

This week, in a significant and long-awaited announcement, Bangladesh has granted approval to the Hong Kong Convention for the safe recycling of ships and offshore assets. This move positions Bangladesh as the second sub-continent recycling location, following India, to ratify this convention.

After extensive efforts and high-level meetings held in Chattogram just two weeks ago, the cabinet has now given its final approval to the resolution. The ratification will soon be signed into force by the foreign minister and subsequently submitted to the IMO for further action.

The Hong Kong Convention has garnered support from a total of twenty states thus far. Bangladesh's recent inclusion in this group is particularly noteworthy due to its significant role in the ship recycling industry and its impressive capacity and infrastructure for such operations. This ratification marks a remarkable milestone for the country.

The next crucial step following these encouraging developments is to obtain one more flag state approval that is essential for the formal entry into force of the Hong Kong Convention.

Anchorage & Beaching Position (June 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
HL POWER	BULKER	18,239	15.06.2023	AWAITING
ETERNAL LUCK	BULKER	7,527	14.06.2023	AWAITING
TIAN HE SHUN	BULKER	7,349	13.06.2023	AWAITING
JIN YUAN XING 9	BULKER	7,576	12.06.2023	AWAITING

GOLDEN SUN	BULKER	6,095	09.06.2023	AWAITING
MERATUS MAKASSAR	CONTAINER	5,455	08.06.2023	15.06.2023
FORTUNE	WOODCHIP	9,730	04.06.2023	07.06.2023
BODR	FISH FACTORY	925	31.05.2023	07.06.2023
SHANG HANG 68	BULKER	6,719	19.05.2023	07.06.2023
WINWIN	REEFER	2,075	24.05.2023	06.06.2023
KAI HANG 3	CONTAINER	3,905	23.05.2023	04.06.2023
XIANG JIANG 6	BULKER	7,290	24.05.2023	04.06.2023
OCEAN GREAT	BULKER	6,311	26.05.2023	03.06.2023

Gaddani, Pakistan

Pakistan's ship recycling industry has been unable to make any progress due to the ongoing restrictions imposed by banks, which have hindered their ability to enter and resume buying. Despite appeals made to the government for intervention, the urgency of the matter has not been appropriately addressed. As a result, the industry finds itself waiting on the sidelines, lacking any new developments.

Anchorage & Beaching Position (June 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

Aliaga, Turkey

The Turkish lira's sharp decline to new record lows against the US dollar has captured market attention this week, despite a lackluster sentiment as investors await the upcoming Federal Reserve meeting. With the USD/TRY exchange rate soaring over 7% to exceed 23.50, the Turkish currency continues its downward spiral.

Trading activity in the Turkish scrap market has remained slow since the beginning of the week. Mills have halted scrap purchases due to slower steel sales, changes in the Chinese steel market, and an increase in scrap offers in the Turkish market. Most are adopting a wait-and-see approach in these conditions.

Market players are concerned about the unstable fundamentals in China, as Chinese exports have already reached record-high levels this year. Additionally, steel sales in the Turkish market are slow this week due to various issues, with credit accessibility being a significant concern. Turkish shipbreaking scrap prices, meanwhile, stood mostly at US\$380/t delivered, unchanged from last week.

BEACHING TIDE DATES 2023

Chattogram, Bangladesh : 17th ~ 20th June | 03rd ~ 06th July | 18th ~ 21st July

Alang, India : 14th ~ 22nd June | 01st ~ 09th July | 13th ~ 22nd July

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	IFO380 CST	MGO (0.1%)
SINGAPORE	585	442	716
HONG KONG	604	462	689
FUJAIRAH	566	429	837
ROTTERDAM	540	450	690
HOUSTON	532	421	714

EXCHANGE RATES			
CURRENCY	16 th JUNE	9 th JUNE	W-O-W % CHANGE
USD / CNY (CHINA)	7.11	7.12	+0.14%
USD / BDT (BANGLADESH)	107.76	107.73	-0.03%
USD / INR (INDIA)	81.93	82.46	0.64%
USD / PKR (PAKISTAN)	287.13	286.96	-0.06%
USD / TRY (TURKEY)	23.67	23.37	-1.28%

Commodities

Insight

The metals market witnessed a significant rally as expectations grew regarding potential stimulus measures from China. This surge was further bolstered by a positive sentiment prevailing across various markets, triggered by lower-than-anticipated inflation figures in the United States.

Among the **base metals**, copper led the way, propelled by China's decision to reduce its short-term policy interest rate. The People's Bank of China (PBoC) announced a 10 basis point cut in its seven-day reverse repo rate, bringing it down to 1.9%. This move was prompted by weakening credit demand in May, with aggregate financing amounting to CNY1.6 trillion. Additionally, reports indicated that Beijing is contemplating a comprehensive package of stimulus measures aimed at supporting the real estate market. These

developments were reinforced by certain supply-side challenges. Aluminum smelters in China have been struggling with reduced hydropower generation caused by a lack of rainfall in Yunnan province. Although recent rainfalls may allow some smelters to resume production, the risk of ongoing constraints remains significant. Concurrently, aluminum inventories have plummeted by approximately 60% since March.

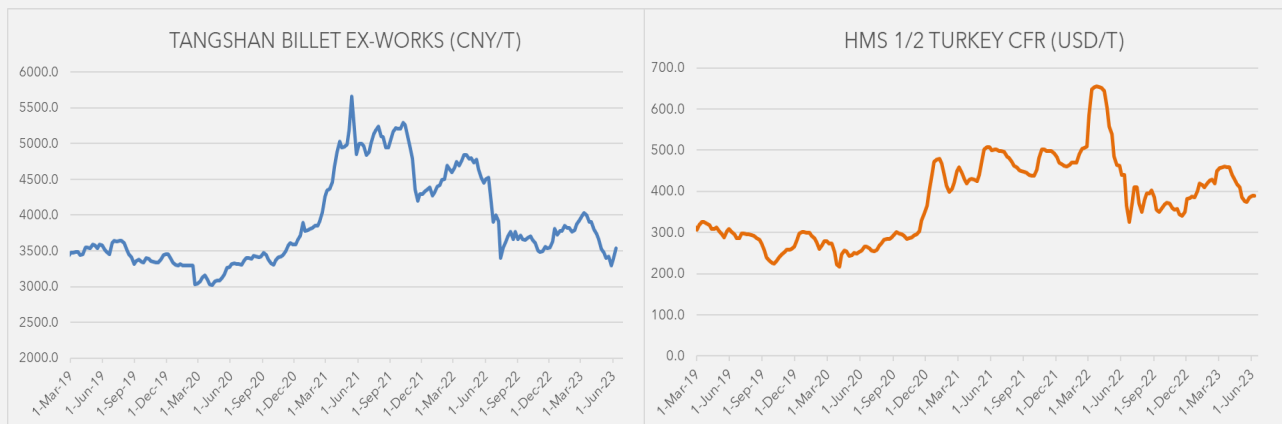
Iron ore futures also experienced a notable upswing in response to the prospect of additional support for the property sector by Beijing. The proposed measures are expected to focus on reducing costs associated with outstanding residential mortgages and facilitating lending through policy banks, ensuring the timely completion of housing projects.

The State Council is anticipated to discuss these policies soon, although the precise timing of their formal announcement remains uncertain.

In the **steel** sector, the European Commission has announced a five-year extension of anti-dumping duties on the hot rolled coil (*HRC*) from China, following a review initiated in 2022. The measures, which include anti-dumping duties of up to 31.3% and anti-subsidy duties of up to 35.9%, will continue to be enforced.

The decision to maintain these measures is based on the Commission's assessment of the recurrence of dumping, the recurrence of injury, and the interest of the European Union. This move aims to protect the European market from unfair trade practices in the steel sector. This is not welcoming news for the Chinese steel sector, which is already facing tremendous pressure within and exports.

MS 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. Rizhao, China	Fines, Fe 62% (Australia Origin)	US\$114	-0.86%	-12.97%	US\$115	US\$131
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	US\$112	0%	-18.24%	US\$112	US\$137

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	389.25	-1.15	-0.29%	Sep 2023
3Mo Copper (L.M.E.)	USD / MT	8,558.00	+49.00	+0.58%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,249.50	-4.00	-0.18%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,480.50	-6.00	-0.24%	N/A
3Mo Tin (L.M.E.)	USD / MT	27,225.00	+463.00	+1.73%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	70.03	-0.59	-0.84%	Jul 2023
Brent Crude (ICE.)	USD / bbl.	75.17	-0.50	-0.66%	Aug 2023
Crude Oil (Tokyo)	J.P.Y. / kl	64,900.00	-80.00	-0.12%	Jun 2023
Natural Gas (Nymex)	USD / MMBtu	2.57	+0.04	+1.42%	Jul 2023

Note: all rates as at C.O.B. London time June 16, 2023.



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