WEEKLY REPORT

WEEK 36 – September 10, 2023

On Thursday, China reported yet another drop in its imports and exports, marking a continued decline in trade, though not as steep as anticipated. Exports in August, in U.S. dollar terms, fell by 8.8% compared to the previous year, a slight improvement from the forecasted 9.2% decline. Imports also dropped by 7.3% year-on-year, better than the expected 9% decline. This trend reveals a consistent slump in both imports and exports throughout 2023, with imports decreasing each month compared to the previous year and exports declining since April.

Chinese exports to the United States decreased by 9.5% in August, a notable improvement compared to the previous two months when the drop exceeded 20%. Imports from the U.S. saw a 7.9% decline in August, an improvement from July's double-digit decline.

Despite these marginal improvements, the situation remains challenging, and experts suggest that factors like the property market, rising oil prices, and the strength of the Chinese yuan against the U.S. dollar will determine whether China's trade can rebound. China's economy has faced slowdowns due to a sluggish property market and subdued consumer spending, although auto exports have remained a bright spot, albeit with a slower growth pace in August.

Dry Bulk

The demand for iron ore continues to weaken due to concerns about China's economic slowdown and production controls in the steel industry. Factors such as the impact of typhoons on construction activities in eastern and southern China have also contributed to reduced iron ore demand.

BDI, reached a two-week high on Thursday, primarily due to a significant increase in capes rates. The BDI, surged by 60 points or 5.6% to reach 1,141, marking the highest level since August 23.

BCI index experienced a remarkable jump of 155 points, nearly 15%, to hit 1,189. This improvement in capes rates translated to an increase in the average daily earnings.
The dry bulk market's present conditions are limiting rate increases, there is potential for tightening supply when weather issues arise in the approaching winter months. Despite a well-supplied market, spot rates are relatively high compared to past rates for Capes.

Currently, West African bauxite demand will need to pick up after a slow summer to tighten the Atlantic market and potentially boost Capes rates in the fourth quarter. The strong recovery of Panamax rates in August is also noteworthy and may benefit larger segments in the future. The growth in fleet supply is expected to be minimal in the coming years, making demand the primary factor influencing spot freight rates. China, as a major importer of bulk commodities, is expected to play a central role in driving shipping demand.

Capesize:

In both basins, there has been an increase in cargo influx, and positive sentiment has spread throughout the regions due to the previous rise in FFA. In the Pacific, an increase in iron ore shipments has contributed to market growth. In the North Atlantic, there is an ongoing influx of new cargoes, primarily in the T/A route, while spot vessels have slightly decreased, resulting in an overall upward trend. Despite concerns about China's economic slowdown, the Cape market is expected to establish a short-term bottom, supported by resistance against excessive declines and expectations of seasonal steel demand recovery in the autumn. BCI saw some 4% improvements to 1,141 points.

Panamax/Kamsarmax:

Despite the weakness in the Atlantic, the market is recovering, mainly driven by increased coal shipments within the region, maintaining an overall upward trend. Strong demand for Brazilian corn persists; however, with surplus shipments to South America, the region continues to experience a general downward correction. Brazil r/v fell slightly but T/A levels remain largely unchanged. In the Pacific, the steady intake of NOPAC grain cargoes continues to be absorbed by vessels in the region, maintaining a positive atmosphere. Pacific r/v levels climb to US$ 10,900's a day.

Supramax/Ultramax:

The Supramax market is gradually regaining its confidence. In Asia, due to a recent typhoon in the southeast region, many ships needed to be replaced for those that missed the cancellation date. Rates vary widely depending on the position and the ability of ships to meet their laycan. Period activity has increased as charterers show more interest, particularly for well-equipped tonnage in the Atlantic.

Handysize:

In the Atlantic, a structure of demand dominance continues, but the supply of vessels in the U.S. Gulf is gradually accumulating, limiting the extent of the increase in rates. T/A rates climb to US$8,850 a day. In the Pacific, spot vessels are entering the market, with more influx in the NOPAC and Indonesia routes, leading to an upward trend. Pacific routes saw improvements in the levels, with BHSI climbing 8% to 567 points at closing.

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
PORT STAR	KMAX	82,177	2012	CHINA	21.0	SINGAPOREAN BUYERS
G R A	PMAX	76,634	2002	JAPAN	6.5	CHINESE BUYERS
SANTA VIRGINIA	UMAX	61,271	2014	JAPAN	23.5	GREEK BUYERS
NORD PACIFIC	UMAX	61,221	2018	JAPAN	27.0	FAR EASTERN BUYERS
RHINE CONFIDANTE	SMAX	57,016	2010	CHINA	10.8	GREEK BUYERS
STAR GLOBE / SKY GLOBE	SMAX	56,867 / 56,854	2010 / 2009	CHINA	11.2 / 10.7	UAE BASED BUYERS
SEA AQUARIUS	SMAX	53,468	2006	JAPAN	9.0	CHINESE BUYERS
GIVING	HMAX	45,428	1997	JAPAN	5.5	CHINESE BUYERS
VIL ATLANTIC	HANDY	37,852	2010	CHINA	9.5	UNDISCLOSED
NORD SAVANNAH	HANDY	37,067	2013	JAPAN	16.8	UNDISCLOSED
KLARA SELMER	HANDY	34,999	2011	CHINA	11.2	UNDISCLOSED
SEASTAR TRADER	HANDY	30,487	2008	CHINA	7.7	TURKISH BUYERS

Dry Bulk Values

(*Weekly*)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	64	60	47	28	13
KAMSARMAX	82,000	35	37	31	21	9
SUPRAMAX	56,000	33	35	28	18	7
HANDY	38,000	30	31	24	16	6

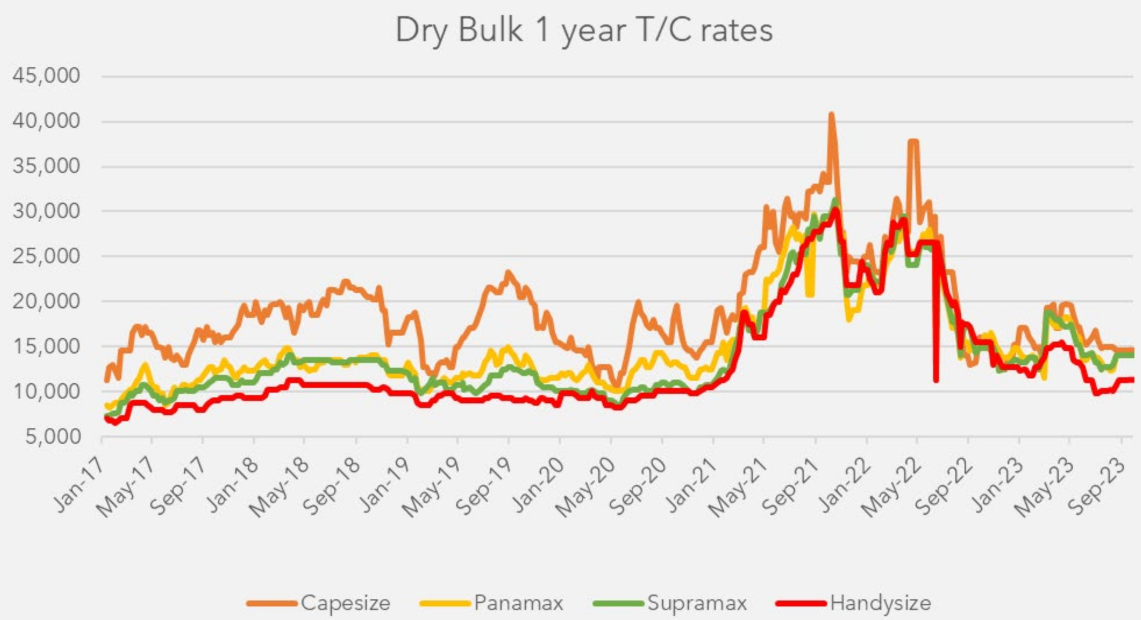
**(amount in USD million)*

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,141	1,094	1,213	+4.30%	-5.94%
BCI	1,189	1,123	672	+5.88%	76.93%
BPI	1,473	1,521	1,865	-3.16%	-21.02%
BSI	1,056	942	1,475	+12.10%	-28.41%
BHSI	567	524	873	+8.21%	-35.05%

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
CAPESIZE	180,000	14,750	13,750	13,250	+7.27%	+11.32%
PANAMAX	75,000	13,150	12,250	14,875	+7.35%	-11.60%
SUPRAMAX	58,000	12,750	12,250	14,250	+4.08%	-10.53%
HANDYSIZE	38,000	10,150	11,500	13,500	-11.74%	-24.81%



Tankers

Despite a slight dip at the start of the week, crude oil prices are on track for another weekly gain. This follows the announcement by Saudi Arabia and Russia that they will extend their collective production cuts until the end of the year. Earlier in the week, Riyadh and Moscow confirmed their production curb of 1.3 million barrels per day would remain in place until December, leading to a surge in prices to their highest levels in nearly a year.

However, there has been some retreat since then, primarily due to ongoing uncertainty about Chinese demand and a stronger U.S. dollar. Despite reports indicating robust oil demand in China, concerns about its resilience persist. In August, China's oil imports increased by over 20% from July and 31% from August 2022. The U.S. dollar has also strengthened on expectations that the Federal Reserve has completed its rate hikes.

Additionally, substantial draws in U.S. crude oil inventories over the past weeks have contributed to this week's price rally. The EIA estimated a draw of over 6 million barrels in its latest weekly report, following a draw of 10.6 million barrels previously. U.S. oil inventories have now decreased for four consecutive weeks.

However, despite the optimism and discussions of oil prices reaching triple digits, concerns about future demand persist. The OPEC+ production cuts may limit downside risks, but uncertainties surrounding global demand, especially in China, continue to be a point of caution for the oil market.

Spot VLCC rates have fallen below US$10/ton, reaching levels seen last two years due to the cuts above. While there are no signs currently of a rebound in rates, fourth-quarter futures remain high, reflecting optimism in the tanker sector.

VLCC:

Due to restrictions on spot cargo inflow, the Middle East/China route witnessed a significant weekly decline. This marks the second week the WS40 has been breached since March 2022. 270,000mt MEG to China fell to WS36. TCE rates have also dropped below US$5,000. While there is an increase in tonnage heading from the MEG to the Atlantic, the pressure on MEG ship supply is intensifying. However, the Atlantic is currently showing signs of weakness, suggesting an overall delay in recovery. 260,000mt WAFR/China also fell to WS43.

Suezmax:

Activity in the North Atlantic region saw some improvements this week with rates for Nigeria/Europe route climbing to WS73. This is attributed to firming cargo inflow from Nigeria. Despite the initial tightness in MEG, rates remained relatively stable due to limited inquiries and an increase in the number of available vessels. 140,000mt Basrah/Lavera gain 2 points to WS59.

Aframax:

Due to Russia's reduction in oil exports, there has been a general weakening of market conditions in the Med and Baltic Seas. 80,000mt Ceyhan/Lavera fell some 11 points this week, reaching WS90. The North Sea also saw some corrections of its own with Hound Point/Wilhelmshaven dropping to WS92, losing 8 points.

Clean:

MR: The MR market had a subdued week as activity decreased. In the USAC, potential weather disruptions and ballasting to Europe prevent significant downward pressure. TC14 fell to WS134 with TC18 seeing similar decline down to WS234. M.R.s in the MEG also saw some slowing activity with rates falling from previous week.

L.R: LR1 market, ended the week positively, unlike M.R., with rates on the UKC-WAF route increasing. TC16 improve to WS161. LR2 rates also remained stable, and sentiment remained steady. TC1 levels unchanged in the region of mid WS130's.

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
WILLOWY	AFRA	106,500	2003	JAPAN	25.0	MALAYSIAN BUYERS
ECE NUR K	PROD / CHEM	19,964	2009	TURKEY	5.7	GREEK BUYERS
AT HONOR	PROD / CHEM	10,813	2005	S. KOREA	7.0	INDONESIAN BUYERS

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	715	776	1,416	-7.86%	-49.51%
BCTI	760	843	1,214	-9.85%	-37.40%

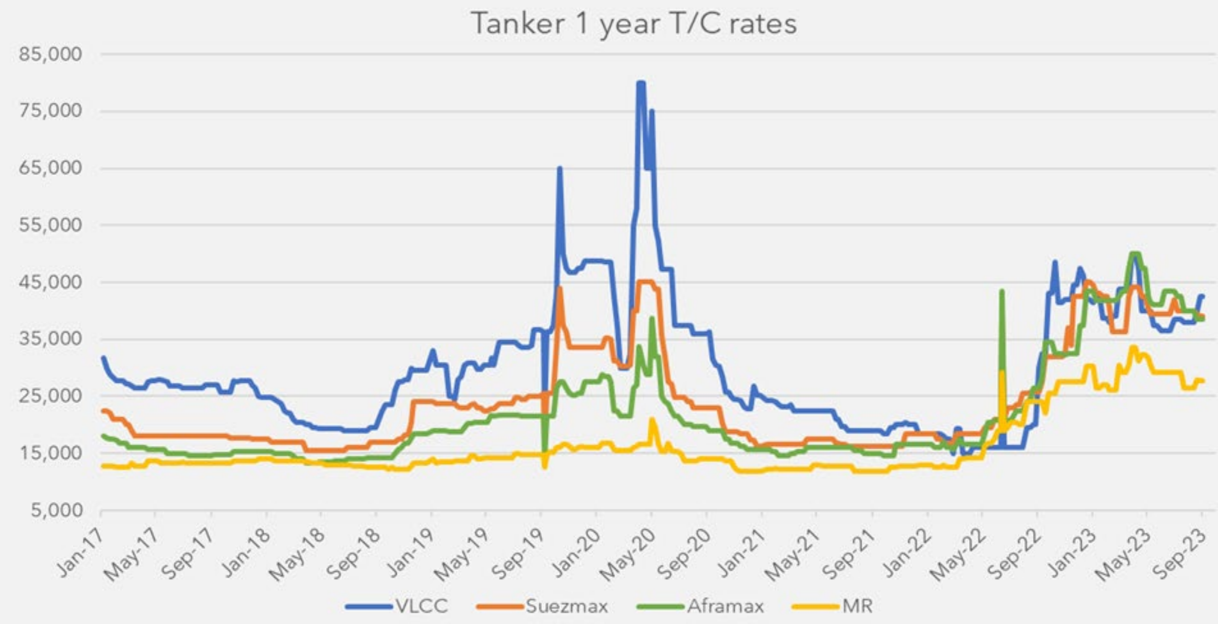
Tankers Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	126	125	98	74	48
0SUEZMAX	160,000	85	90	73	58	31
AFRAMAX	115,000	68	78	63	51	28
PANAMAX-LR1	73,000	57	60	49	39	20
MR TANKER	51,000	47	50	40	31	18
*(amount in USD million)						

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	43,500	44,000	32,250	-1.14%	+34.88%
SUEZMAX	150,000	38,750	38,750	32,000	0	+21.09%
AFRAMAX	110,000	38,500	38,500	34,500	0	+11.59%
LR1	74,000	28,250	28,250	30,500	0	-7.38%
MR	47,000	25,500	25,500	22,000	0	+15.91%



Containers

Container spot rates saw a significant decline this week, with the SCFI spot box freight rate index dropping by 3.3% w-o-w, reaching 999 points. Rate on the Shanghai to Northern Europe route fell by 7% w-o-w, reaching US$714 per TEU, marking its lowest level since November 2019, and standing at 36% below the levels seen at the beginning of 2020. On the Shanghai to U.S. West Coast route, rates also decreased by 5% w-o-w, settling at US$2,037 per FEU, which is still 25% higher than the rates observed at the start of 2020.

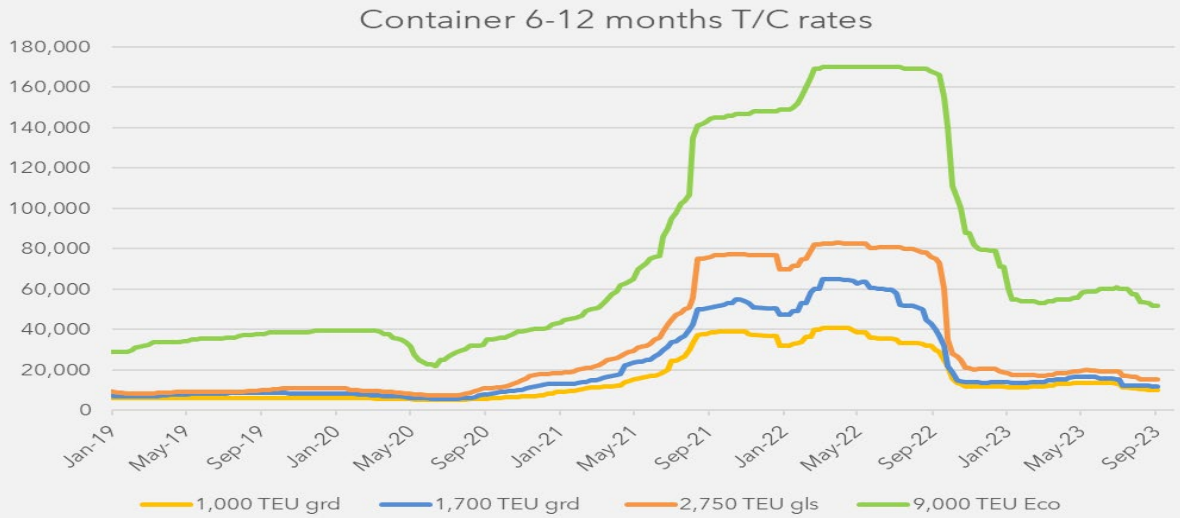
Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
BALTIC TERN / BALTIC PETREL	FEEDER	1,638	2005	GERMANY	6.0 EACH	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	24	17	10	8
1,600 – 1,800	Geared	29	28	23	16	12
2,700 – 2,900	Gearless	41	37	29	19	16
5,500 – 7,000	Gearless	93	78	66	41	N/A
**(amount in USD million)*						



Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
ALANG (WC INDIA)	520 ~ 530	510 ~ 520	520 ~ 530	550 ~ 560	STABLE /
*CHATTOGRAM, BANGLADESH	460 ~470	450 ~ 460	460 ~ 470	500 ~ 510	WEAK /
**GADDANI, PAKISTAN	520 ~ 530	510 ~ 520	500 ~ 510	530 ~ 540	STABLE /
TURKEY **For Non-EU ships. For E.U. Ship, the prices are about US$20-30/ton less*	310 ~ 320	300 ~ 310	290 ~ 300	320 ~ 330	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 and case to case buying.

** Limited recyclers and case-to-case buying only due to Letters of Credit restrictions.

5-Year Ship Recycling Average Historical Prices

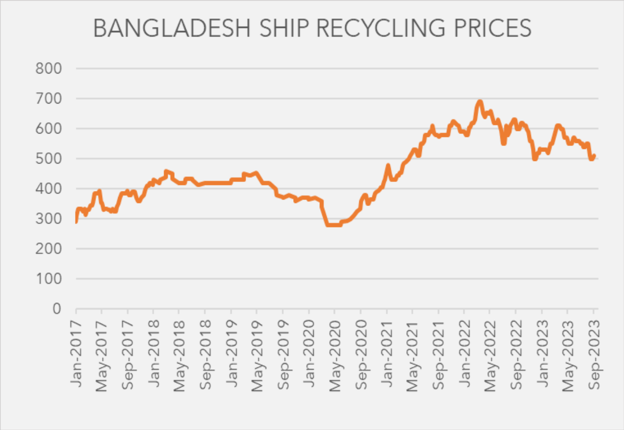
(Week 36)

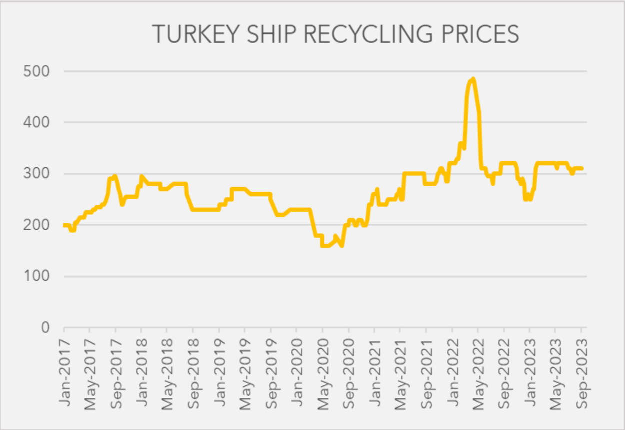
DESTINATION	2018	2019	2020	2021	2022
ALANG, INDIA	435	360	350	570	590
CHATTOGRAM, BANGLADESH	430	370	340	595	605
GADDANI, PAKISTAN	420	360	375	600	585
ALIAGA, TURKEY	240	250	200	285	330

Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US$/LDT)	COMMENTS
SINOKOR VLADIVOSTOK	4,691	1998 / CHINA	CONTAINER	588	DELIVERED ALANG WITH APPROX . 100 MT ROB INCLUDED
HUADA 606	3,472	2005 / CHINA	GENERAL CARGO	527	DELIVERED ALANG
UCL HONG KONG	7,009	1993 / JAPAN	CONTAINER	530	AS IS SOHAR, OMAN
WINNING JOY	20,936	1999 / JAPAN	BULKER	505	AS IS SINGAPORE, WITH 250 MT BUNKERS INCLUDED IN SALE
UNI-ASPIRE	7,098	1998 / JAPAN	BULKER	585	DELIVERED ALANG / GREEN RECYCLING
EVER DEVOTE	21,731	1998 / JAPAN	BULKER	555	AS IS SINGAPORE / GREEN RECYCLING
FINE STAR	9,877	1995 / JAPAN	BULKER	480	DELIVERED CHATTOGRAM
YUAN TU	3,495	2005 / CHINA	GENERAL CARGO	UNDISCLOSED	AS IS COLOMBO, SRI LANKA FOR RE-DELIVERY ALANG
APJ MAHADEVA	12,660	2000 / CHINA	BULKER	480	AS IS COLOMBO, SRI LANKA FOR FULL SUB-CONTINENT

Recycling Ships Price Trend





Insight

It has been an interesting week for the Sub-Continent markets wherein Alang took the lead, increasing substantially. In contrast, Bangladesh went in the opposite direction, dropping significantly, and Pakistan was stable with limited buying.

As a vast majority of the European owners are returning from their summer holidays, as a result, some potential candidates have surfaced markets with the latest Italian-built panamax named Sotiria, sold last week for a premium due to her superior maintenance and a grain carrier. Talks are a number of such ships from traditional markets are soon going to make their way to the recycling yards, which are preferred by the industry due to better maintenance and quality steel output.

Lately, ship recycling markets in the Sub-Continent have seen major shifts, with pressure being built up in one direction and imbalances in prices. Traditionally Alang has been a lagging market, but due to a sudden spike in domestic ship scrap prices, the lost optimism has returned, with ship prices marking a substantial improvement. How long this will last is a wait-and-watch game.

This week's noteworthy sale of Winning Shipping's elderly Cape made headlines. After a serious series of negotiations, the Vessel finally achieved a speculative price of US$505/lt levels on an as-is-where-Singapore delivery sale. It will be interesting to see the final price at the respective destination in light of Bangladesh being on the sidelines for the time being. The only viable options are Gaddani or Alang.

Alang, India

The domestic ship scrap markets in India have witnessed a decent increase recently, this uptick has gained significant attention and the sentiment in the market has been amplified at a different level, much more than the fundamental increase.

This is partly due to the approaching election season in India, which tends to boost economic optimism. Additionally, the upcoming festive season has contributed to the positive outlook, driving the markets to new heights.

In general, the flow of ships for recycling has remained relatively steady, providing recyclers with opportunities to acquire specific vessels and refresh their inventories.

The dry bulk and container segments are the major contributors to the industry and experts believe going forward, the flow of such ships will increase as the trading markets are aligning back steadily to the pre-COVID rates.

This week, the sale of container ships from Evergreen and Sinokor made the headlines in Alang. Evergreen sold their two container ships, "Ever Devote" 1998 Japanese built weighing US$21,731 mt at US$555/ton levels as is Singapore and "Uni-Aspire" 1998 Japanese built weighing 7,098 mt at US$585/ton levels, delivered Alang.

While Sinokor also sold their small feeder, "Sinokor Vladivostok" built in 1998 in China, weighing 4,691 tons, surfaced at a whooping price of US$588/lt gross reported as compared to the similar ship "Sinokor Akita" which was recently sold in mid-August at US$568/ton gross levels. This is a classic reflection of the strength in the markets in a short span of time.

In the coming weeks, it will be interesting to observe whether the markets have reached their peaks or if there is still potential for further growth, aiming to surpass the challenging resistance level of US$600/ton, which is just shy of about US$12/ton based of the current prices being paid for container ships.

Anchorage & Beaching Position (September 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
INSTA	DIVING SUPPORT	3,000	07.09.2023	AWAITING
ALDO	OFFSHORE	1,740	08.09.2023	AWAITING
SINOKOR AKITA	CONTAINER	4,672	29.08.2023	07.09.2023
ONE HAPPY	BULKER	7,726	01.09.2023	07.09.2023
ZEFYROS REEFER	REEFER	4,731	03.09.2023	08.09.2023

Chattogram, Bangladesh

Over the past three weeks, a significant and abrupt drop in local ship scrap prices has been creating havoc in the local markets. This decline can be attributed to a weakened demand in the market, which has been influenced by two key factors: the upcoming December 2023 election and recent monsoon-related floods.

The looming election has understandably taken centre stage in Bangladesh, as it is expected to be a pivotal moment for the country after a historic ruling era that began in 2009. In this political climate, the focus on the domestic economy has temporarily receded into the background, with businesses and investors closely monitoring the potential game-changing outcomes of the upcoming electoral process.

Conversely, a sharp decline in domestic ship scrap prices has sent shockwaves through the industry. Ship plate prices have plummeted by 9.27%, while ship melting scrap prices have dipped by 5.25% month-on-month. This unexpected downturn has left recyclers who hold expensive inventories in a state of dismay, with many opting to adopt a cautious approach and some who want to do an effective price averaging are not in the position due to ongoing L.C. issues and stiff competition from Alang markets.

The prevailing situation has created a challenging environment for ship recyclers, pushing them towards the sidelines in hopes of weathering the storm.

This week, recyclers in the shipbreaking industry faced yet another obstacle, this time from the Bangladesh Bank's Foreign Exchange Policy Department. They have recently issued a circular that adds to the challenges recyclers face in obtaining crucial letters of credit.

In a recent circular on September 6, 2022, the bank outlined crucial changes regarding the retention and utilisation of export proceeds in foreign currency for import settlement and EDF (Export Development Fund) liabilities. The circular empowers designated Authorised Dealers (ADs) to hold the value-added portion of export proceeds in foreign currency, specifically for settling import payments and EDF obligations related to admissible bulk imports by eligible exporters.

The circular now restricts the transfer of retained funds from one A.D. to another, emphasising that AD's can only utilise these funds for genuine payment obligations of relevant exporters. If the retained fund remains unused after 30 days, AD's must compulsorily convert it into Taka. Nevertheless, exporters can request early encashment of unused funds if necessary.

These changes are aimed at maintaining discipline in foreign exchange transactions while safeguarding the interests of exporters. All other instructions regarding export transactions remain unaffected, and A.D.s are urged to promptly communicate these updates to their clients.

In a nutshell, this circular will further refrain more recyclers from obtaining L.C's and add pressure on imports of ships in a market which is already facing other challenges.

Currently, it appears that the market in Bangladesh is not a viable option for ship owners and cash buyers.

Anchorage & Beaching Position (September 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
NAUTICA MUAR	FSO	12,126	09.09.2023	AWAITING
HALLY	BULKER	9,379	08.09.2023	AWAITING
KEMA	RORO	2,950.20	07.09.2023	AWAITING
YOUNG SHENG 19	TANKER	1,118.20	06.09.2023	AWAITING
PATCHARAWADEE 11	LNG	1,060.94	04.09.2023	AWAITING
LAUREN OCEAN	BULKER	8,400	31.08.2023	05.09.2023
JABAL ALI 5	RORO	5,965	30.08.2023	05.09.2023
YUAN TU	BULKER	3,494.60	31.08.2023	05.09.2023
FINE STAR	BULKER	9,859	31.08.2023	04.09.2023
OCEAN SUCCESS	BULKER	10,163	31.08.2023	04.09.3023
HARMONIA	WOOD CC	9,737	30.08.2023	03.09.2023
THIDA 7	CONTAINER	6,232	28.08.2023	01.09.2023
XIANG HE	G. CARGO	9,016	28.08.2023	01.09.2023
ZEN G	BULKER	10,750.40	25.08.2023	01.09.2023
SOL HIND	CONTAINER	7,852.20	22.08.2023	01.09.2023

Gaddani, Pakistan

So far, five ships have been sold to Gaddani recyclers and a few of them have arrived waiting outside for the necessary L.C. payment release. The situation remains fragile, and banks have been informing their clients to be cautious about going overboard.

Despite the recent relaxation of the opening of L.C.s in Pakistan, a vast majority of the industry participants have misconstrued it as an unrestricted opening. The local banks are maintaining a stringent approach, primarily to accommodate a wider range of their domestic clients. As a result, L.C. payments are being carefully rationed, allowing more recyclers to seize the opportunity while keeping the taps open on a gradual basis.

On the other hand, ship recyclers were closely monitoring the currency situation along with the domestic scrap prices, which has started to correct.

Over the past three trading sessions, the value of the U.S. dollar in Pakistan's open market has depreciated by approximately Rs.25. This decline has brought the open market rates closer to those in the interbank market. This shift follows a crackdown on hoarding and smuggling of hard currency.

The State Bank of Pakistan reported the closing exchange rate at Rs.304.94 on Thursday, compared to Rs306.98 the previous day, marking a 0.7% increase. Currency dealers suggest that the drop in the interbank rate may be a result of the rapid depreciation seen in the open market. Despite this development, the interbank market still faces a shortage of U.S. dollars, making it challenging for importers to open letters of credit for their transactions.

The central bank has intensified its supervision of the foreign exchange market, instructing banks to establish separate entities for forex transactions and cracking down on currency hoarders and smugglers. This comes as part of the conditions set under a US$3 billion loan program agreed with the International Monetary Fund in July.

Anchorage & Beaching Position (September 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
GLORIA 1	BULKER	11,259	03.09.2023	AWAITING
SUN SHINE	BULKER	10,317	28.08.2023	02.09.2023
CHANG MIN	BULKER	9,483	26.08.2023	02.09.2023

Aliaga, Turkey

Turkish markets have remained largely unchanged from last week.

There has been some stability in scrap prices, although producers are facing challenges in selling their products, both in domestic and export markets, as buyers anticipate lower prices. Producers have had to lower their offer prices to US$565-580/ton fob Turkey (actual weight) this week, down some US$20/ton. Despite this, scrap prices have remained stable. Offers for mesh-quality wire rod saw range from US$575-590/ton fob.

Overall, the recycling market in Turkey is picking up pace this week, with reports of vessels being proposed for sale. Lira, however, continued to fall this week against the USD, ending at TRY26.84. Nevertheless, there is an air of optimism as we head into September, with expectations that sales will pick up in Aliaga this month.

BEACHING TIDE DATES 2023

Chattogram, Bangladesh	:	14 ~ 17 September | 28 ~ 30 September
Alang, India	:	14 ~ 21 September | 26 ~ 30 September

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	IFO380 CST	MGO (0.1%)
SINGAPORE	637	533	907
HONG KONG	687	561	951
FUJAIRAH	631	524	948
ROTTERDAM	599	550	902
HOUSTON	644	546	948

EXCHANGE RATES			
CURRENCY	8th SEPTEMBER	1st SEPTEMBER	W-O-W % CHANGE
USD / CNY (CHINA)	7.33	7.26	-0.96%
USD / BDT (BANGLADESH)	109.70	109.41	-0.27%
USD / INR (INDIA)	82.98	82.76	-0.27%
USD / PKR (PAKISTAN)	306.29	306.24	-0.02%
USD / TRY (TURKEY)	26.84	26.71	-0.49%

Commodities

Insight

The financial markets experienced a mixed performance as weak economic data was counterbalanced by underlying positive factors. One notable challenge was the strengthening of the U.S. dollar, which dampened investor enthusiasm.

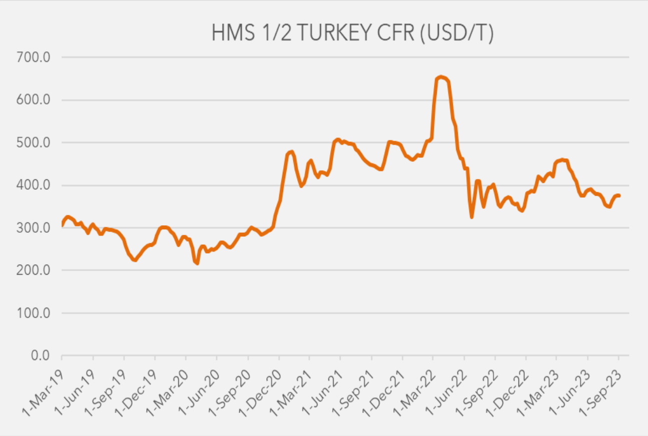
The price of **copper** declined due to a significant increase in inventories on the London Metals Exchange, marking the most substantial rise in two years. Stockpiles grew by 23,450 metric tons, primarily driven by increases in Europe and the U.S. Although the total inventory volume of 133,850 metric tons remains historically low, it indicates that some of the supply constraints that had tightened the market during the northern summer have eased. This was evident in the notable increase in China's copper concentrate imports, which surged by 18.8% year-on-year to reach 2.7 million metric tons in August.

The resulting uptick in refined copper production led to a 5% year-on-year decline in primary copper imports. Additionally, the market was affected by weak economic data, with the euro area's GDP only expanding by 0.1% in the second quarter. However, aluminium defied this trend and finished on a positive note.

Despite the challenging economic backdrop, it seems that the market has already factored in these weaknesses. Furthermore, the global shift towards renewable energy sources is starting to drive increased demand for copper, particularly in power infrastructure like solar panels and electric vehicles, which has helped offset declines in traditional sectors, resulting in positive global growth last year. Anticipated investments in the energy transition sector are expected to drive record growth rates in copper demand over the next three years.

Iron ore prices saw a slight decline as Chinese authorities sought to curb excessive speculation in the market. Regulators conveyed to futures companies in a recent meeting that they should refrain from artificially inflating iron ore prices and instead adopt an objective analysis of market conditions. Chinese steel producers have faced challenges this year due to a downturn in the property sector and high raw material costs. Nevertheless, demand for iron ore remains robust, with imports surpassing 100 million metric tons for the first time in two years, supported by government measures to bolster the construction sector.

MS 1/2 & Tangshan Billet



Iron Ore

COMMODITY	SIZE / GRADE	THIS WEEK USD / MT	W-O-W	Y-O-Y	LAST WEEK USD / MT	LAST YEAR USD / MT
Iron Ore Fines, CNF Rizhao, China	Fines, Fe 62% (Aust. Origin)	118	+2.6%	+22.9%	115	96
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	115	+0.87%	+17.3%	114	98

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	373.00	-3.20	-0.85%	Dec 2023
3Mo Copper (L.M.E.)	USD / MT	8,321.00	-50.50	-0.60%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,196.00	+2.50	+0.11%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,479.50	+16.50	+0.67%	N/A
3Mo Tin (L.M.E.)	USD / MT	26,085.00	-185.00	-0.70%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	86.59	-0.28	-0.32%	Oct 2023
Brent Crude (ICE.)	USD / bbl.	89.78	-0.14	-0.16%	Nov 2023
Crude Oil (Tokyo)	J.P.Y. / kl	84,730.00	+730.00	+0.87%	Sep 2023
Natural Gas (Nymex)	USD / MMBtu	2.61	+0.04	+1.36%	Oct 2023

Note: all rates as at C.O.B. London time September 15, 202

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