STAR ASIA WEEKLY REPORT

WEEK 15 – April 14, 2024

This week, on Saturday, Iran retaliated against Israel with a barrage of drone and missile strikes, escalating tensions following an alleged Israeli attack on an Iranian embassy complex in Syria. Reports suggest Iran launched dozens, possibly over a hundred, drones while missiles were also deployed. Both Iranian and Israeli media sources confirmed the attacks. The situation underscores a significant shift in the region's stability, with escalating hostilities involving multiple actors over the past six months. As the world watches anxiously, the Middle East faces heightened instability and uncertainty.

In the U.S., Inflation data for the first three months of 2024 has been disappointing, with prices at the register and wholesale input costs remaining stubbornly high despite being off the blistering pace of 2022. Investors, consumers, policymakers, and economists have been caught off guard by the persistence of price pressures.

Economists noted that the past three months have seen inflation prints consistently above expectations, suggesting a need to change how we think about the future. The market has been forced to dramatically adjust its expectations, with the Federal Reserve now expected to make just two rate cuts this year, as opposed to the six or seven anticipated at the beginning of the year.

Meanwhile, China's exports experienced a significant decline in March, falling 7.5% y-o-y, while imports also decreased by 1.9%. These figures fell short of economist forecasts and raised concerns about the country's ability to meet its 5% economic growth target for the year despite some positive indicators in earlier March data.

The unexpected drop in imports further highlights the ongoing challenges faced by Chinese consumers, who continue to feel the impact of a prolonged real estate slump and have limited spending power. This is evidenced by the minimal rise in consumer prices over the past 12 months, which underscores the persistent threat of deflation.

However, there were some bright spots in China's trade performance. Exports of steel products, manufactured goods, cars, and semiconductors saw growth in the first quarter, although this has the potential to exacerbate trade tensions with the US, Europe, and some emerging economies.

Dry Bulk

The Baltic Exchange's dry bulk index reached a more than two-week high on Friday, closing a strong week with increased rates across all vessel segments. The overall index climbed by 39 points to 1,729 points, its highest level since March 28, and recorded a weekly gain of over 6%.

BCI rose by 77 points to 2,552, logging a weekly rise of over 12%. Average daily earnings for Capes grew by US$641 to US$21,164. Iron ore futures continued to gain and were on track for a weekly gain due to an improved demand outlook in China and better near-term fundamentals.

BPI increased by 36 points to 1,713 points, an over-one-week peak, and was up by 1.1% for the week. Average daily earnings rose by US$327 to US$15,419. BSI, on the other hand, firmed 11 points to 1,272 points and registered a weekly rise.

Capesize:

The demand for iron ore in China is experiencing a decline, influenced by a slowdown in construction activities and uncertainties surrounding steel mill production. While China's broader economy shows signs of improvement, the persisting weakness in the real estate market continues to negatively affect the steel industry's performance. This week, the Pacific continues to show strength, with increased demand not only for iron ore from Western Australia but also for coal from Eastern Australia and Indonesia. Pacific r/v rose to US$22,825 a day at closing. Brazil is also experiencing an upward trend, with a steady inflow of cargo. The North Atlantic market is adjusting its sentiment upwards, buoyed by the strong performance of the Pacific market.

Panamax/Kamsarmax:

The North Atlantic market continues to see improvements in both freight rates and sentiment as tight supply persists. T/A levels remain unchanged from last, closing at US$11,850's a day. In South America, although the market atmosphere has become somewhat subdued due to the previously active fixing activity, rates are maintaining an upward trend as demand outweighs supply. The Pacific, on the other hand, is experiencing a rise, with market participants' sentiment improving due to the rebound in the Capesize sector. Pacific r/v trips closed higher at US$12,400's a day on Friday.

Supramax/Ultramax:

The downturn in the Atlantic this week is driven by an oversupply in South America and subdued grain shipments in North America, affecting rates. However, the demand for Ukrainian grain has supported freight rates on the Black Sea route. In the Pacific, weak coal shipments continue to pressure the market. While India's coal stockpiling is expected to rise in preparation for the monsoon, the market remains stable this week due to reduced activity due to the Eid holidays in Indonesia. Pacific r/v remains at US$13,250's a day.

Handysize:

The Atlantic market is displaying an overall firm outlook, with demand from the USG region showing a slight recovery. T/A levels remain at US$12,500's region. In the Pacific, vessel demand in Northeast Asia and spot demand for Indonesian coal from India are supporting the market sentiment. Inter-Pacific levels rose to US$9,000's a day.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,729	1,628	1,435	+6.20%	+20.49%
BCI	2,552	2,274	1,850	+12.23%	+37.95%
BPI	1,713	1,695	1,702	+1.06%	+0.65%
BSI	1,272	1,261	1,096	+0.87%	+16.06%
BHSI	722	735	628	-1.77%	+14.97%

Dry Bulk Values

(*Weekly Average*)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	68	76	62	43	29
KAMSARMAX	82,000	37	43	37	29	19
SUPRAMAX	56,000	34	41	34	27	16
HANDY	38,000	30	34	27	20	12

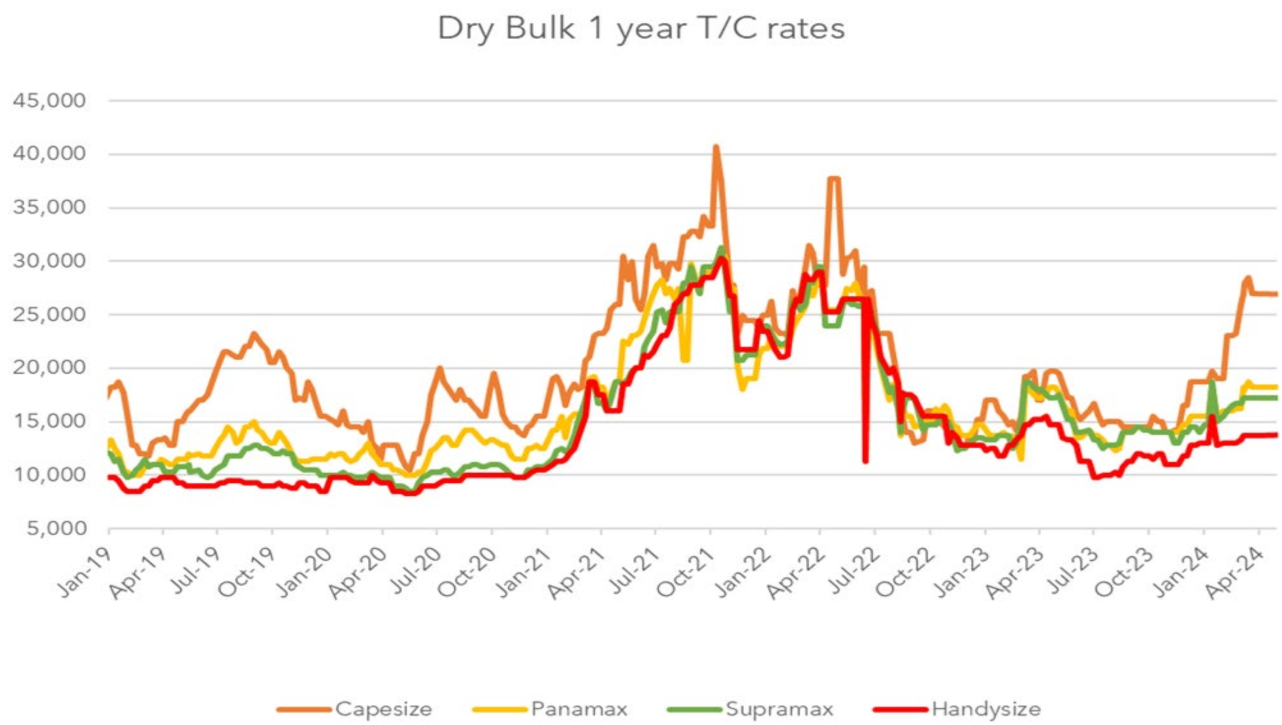
**(amount in USD million)*

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	25,000	25,000	20,000	0	+25.00%
PANAMAX	75,000	15,250	15,500	16,300	-1.61%	-6.44%
SUPRAMAX	58,000	15,000	14,750	15,500	+1.69%	-3.23%
HANDYSIZE	38,000	13,750	13,250	12,150	+3.77%	+13.17%

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
HL HARMONY	CAPE	179,655	2015	CHINA	43.0	UNDISCLOSED
SPRING SAMCHEONPO	POST PMAX	119,597	2009	JAPAN	18.4	CHINESE BUYERS
FEDERICO II	POST PMAX	92,330	2009	JAPAN	19.6	HONG KONG BUYERS
SAMMY	KMAX	82,167	2012	JAPAN	26.5	VELOS
ARIES SUMIRE	UMAX	64,276	2020	JAPAN	36.3	UNDISCLOSED
WORLD ROYAL	UMAX	61,201	2022	CHINA	35.0	UNDISCLOSED
DAIDAN MUSTIKAWATI	SMAX	55,765	2005	JAPAN	11.0	CHINESE BUYERS
HAVDHENU PURNA	SMAX	53,490	2005	JAPAN	8.5	MIDDLE EASTERN BUYERS
NEW JOURNEY	HANDY	36,371	2015	JAPAN	20.0	UNDISCLOSED
FW EXCURSIONIST	HANDY	34,484	2019	JAPAN	27.0	DADAYLILAR


Dry Bulk 1 year T/C rates
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
Jan-19
Apr-19
Jul-19
Oct-19
Jan-20
Apr-20
Jul-20
Oct-20
Jan-21
Apr-21
Jul-21
Oct-21
Jan-22
Apr-22
Jul-22
Oct-22
Jan-23
Apr-23
Jul-23
Oct-23
Jan-24
Apr-24
Capesize
Panamax
Supramax
Handysize

Tankers

The OPEC+ group has regained significant control over the oil market, influencing a potential tightening in the second half of the year, depending on their decisions regarding production cuts. Industry insiders and financial analysts anticipate stronger oil demand and ongoing supply constraints, propelled by OPEC and Russia's production reductions, which may drive oil prices higher, potentially surpassing US$90 a barrel. Investment banks and industry experts suggest that oil could reach or exceed US$100 a barrel this year amidst tight markets and geopolitical tensions.

Decisions by OPEC+ in the coming months are crucial to the market's direction, with the potential to maintain an "extremely tight" oil market if current production cuts are extended. Global oil demand is expected to see significant growth, with estimates suggesting an increase of around 1.9 million barrels per day in 2024. However, there's a consensus that if oil prices approach US$100, OPEC+ might moderate their cuts to prevent demand destruction and maintain market stability. Despite the allure of high oil prices, OPEC+ is cautious about triggering an inflation shock that could undermine long-term demand.

Meanwhile, crude tanker rates have remained healthy for owners in the past couple of years, especially after the Russian invasion and the subsequent changes in trade flow and fleet behaviour patterns.

However, Aframax tankers are facing downside risks in the coming months, with rates currently below 2023 averages. The primary source of Aframax employment, T/A USG/Europe, has seen a 10-month low in utilisation due to various factors. Despite the potential support from the restart of European refineries, high crude inventories and the widening Aframax/Suezmax freight spread may limit improvement and encourage charterers to opt for larger vessels.

VLCC:

This week, activity slowed down towards the end due to Eid holidays in various parts of the world, resulting in a slight dip. For the Middle East market, a wait-and-see approach from owners is expected until the end of April to early May, with ample available vessels likely leading to slightly weaker freight rates. 270,000mt MEG/China fell to WS61. In the Atlantic, WAFR/China also fell slightly to WS62.

Suezmax:

There was a notable increase in activity in the USG routes at the start of the week, with rates rising by 7 points to WS82. West Africa also saw a bump in activities with a tightening list, leading to a climb in rates. 130,000mt Nigeria/UKC rose 22 points over the week to WS129.

Aframax:

The Aframax sector saw a surge in activity and rising freight rates in the South Asian region at the week's start. In the North Sea, 80,000mt X-UKC rose 9 points to WS140. The Atlantic has seen a continued upward trend, with Stateside rates climbing once again. 70,000mt EC Mexico/USG climb by 81 points w-o-w to WS240.

Clean:

Sentiment in the CPP market was mixed this week, with rates generally softening across most routes. LR1 rates on the UKC/WAFR fell to WS200 due to limited activity. LR2 sentiment improved following a busier period, although rates on the MEG/Japan route remained at WS190. Meanwhile, MR rates on the UKC/USG eased w-o-w to WS185, despite the list remaining in owners' favour.

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	1,202	1,127	1,242	+6.65%	-3.22%
BCTI	879	982	958	-10.49%	-8.25%

Tankers Values

(Weekly Average)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	130	143	113	85	58
SUEZMAX	160,000	87	99	83	68	50
AFRAMAX	115,000	75	85	72	58	41
LR1	73,000	60	63	53	43	30
MR	51,000	49	53	45	38	26

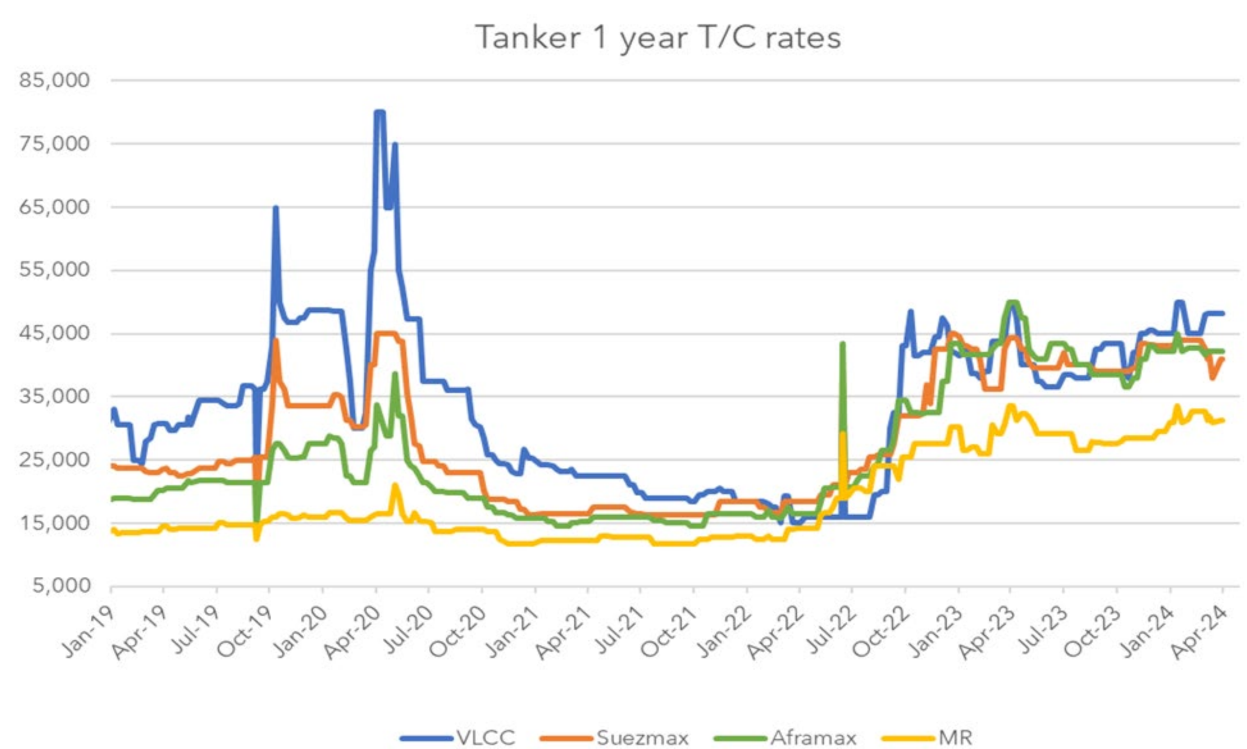
**(amount in USD million)*

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	48,500	48,500	42,500	0	+14.12%
SUEZMAX	150,000	42,500	42,500	42,500	0	0
AFRAMAX	110,000	42,500	42,500	50,000	0	-15.00%
LR1	74,000	37,500	37,000	35,500	+1.35%	+5.63%
MR	47,000	30,000	30,000	31,000	0	-3.23%

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
FRONT THOR	SUEZ	156,719	2010	CHINA	45.0	UNDISCLOSED
CALYPSO	AFRA	111,930	2021	JAPAN	80.0	GNMTC
JAG PAHEL	MR	46,319	2004	S. KOREA	14.5	UNDISCLOSED
SAN CARLOS	MR	37,258	2007	S. KOREA	20.5	TURKISH BUYERS
CHEM BULLDOG	PROD/ CHEM	21,306	2010	JAPAN	23.0 (SS)	UNDISCLOSED
SAMBONG ARTEMIS	PROD/ CHEM	11,457	2018	S. KOREA	22.0	FRENCH BUYERS



Containers

In the latest series of geopolitical issues, Iranian forces seized the MSC Aries, a 15,000-teu container ship owned by Zodiac Maritime and chartered by Mediterranean Shipping Co, in the Strait of Hormuz. The vessel, managed by MSC, was diverted from its course towards Iran. There are 25 crew members onboard, and efforts are underway to ensure their safety. The incident occurred amidst heightened tensions in the region, with Iran allegedly targeting the ship due to its affiliation with Israeli interests.

This seizure raises concerns for all vessels navigating the area, prompting calls for heightened vigilance and coordination with military forces to prevent further incidents. Iran's history of boarding ships in the region for various reasons underscores the ongoing volatility in the area.

The recent Red Sea incident caused the Shanghai Containerized Freight Index (SCFI) to fall by approximately 22% from its previous high of 2,239. However, in the first week of April, the index showed a minor increase, signalling a stabilization in freight rates after a decline that lasted over two months.

While freight rates on five routes, including those to North America, decreased, seven other routes, such as those to Europe, saw an increase, resulting in the SCFI rising by 14 points to 1,745.

Despite the slight increase in freight rates for Europe and the Mediterranean, rates for the U.S. West and East Coasts continued to decline.

The U.S. is currently facing an expanding trade deficit and a decrease in exports of automobiles, parts, and engines, which limits the positive momentum for North American transport demand.

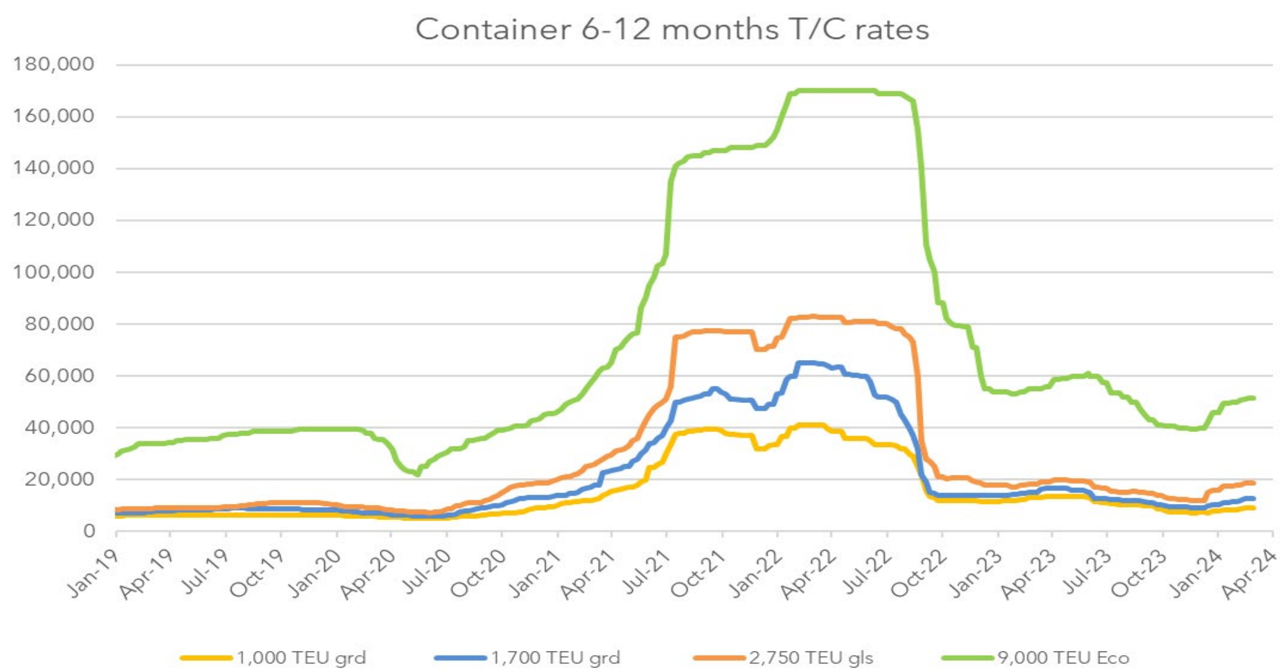
The upcoming freight rate contract season for North America is expected to bring price increases, which will likely provide clarity on the direction of freight rates in the second quarter.

Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
BUXCLIFF / BUXCOAST	POST PMAX	6,712	2001	S. KOREA	45.0 EN BLOC	UNDISCLOSED
CMA CGM BELLINI	POST PMAX	5,782	2004	S. KOREA	18.0	UNDISCLOSED
NAVIOS SPRING	PMAX	3,450	2007	S. KOREA	17.0	UAE BASED BUYERS
ODYSSEUS	SUB PMAX	2,824	2006	S. KOREA	16.0	MSC
MAERSK DOUALA / MAERSK DAKAR	SUB PMAX	2,478	2004	GERMANY	N/A	MSC

Containers Values

CONTAINERS (BY TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
900 – 1,200	Geared	24	24	17	14	8
1,600 – 1,850	Geared	29	26	20	16	11
2,700 – 2,900	Gearless	41	38	29	21	15
5,100	Gearless	94	84	71	42	28



Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
ALANG (WC INDIA)	490 ~ 500	470 ~ 480	470 ~ 480	500 ~ 510	STABLE /
CHATTOGRAM, BANGLADESH	530 ~540	520 ~ 530	500~ 510	540 ~ 550	STABLE /
GADDANI, PAKISTAN	520 ~ 530	510 ~ 520	500 ~ 510	530 ~ 540	STABLE /
TURKEY **For Non-EU ships. For E.U. Ship, the prices are about USD 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.

5-Year Ship Recycling Average Historical Prices

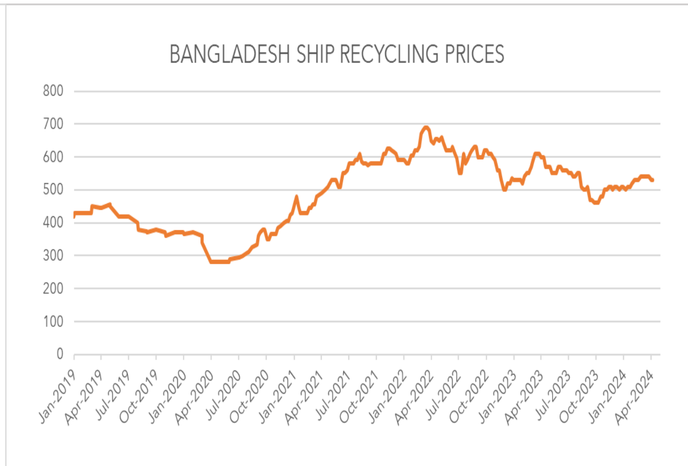
(Week 15)

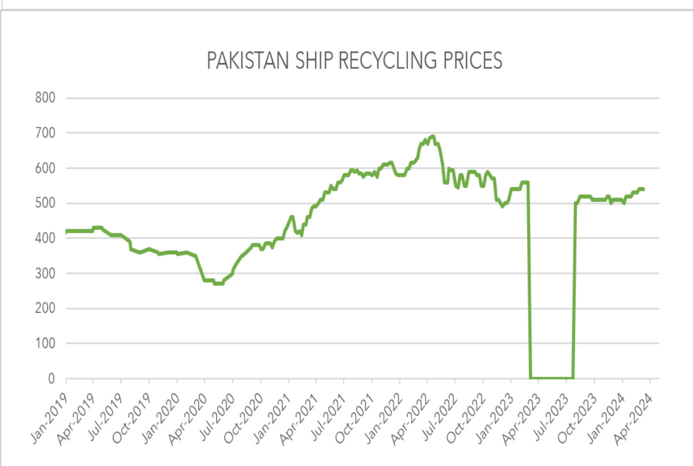
DESTINATION	2019	2020	2021	2022	2023
ALANG, INDIA	450	380	470	680	550
CHATTOGRAM, BANGLADESH	455	350	500	675	580
GADDANI, PAKISTAN	430	340	490	685	550
ALIAGA, TURKEY	280	210	255	460	325

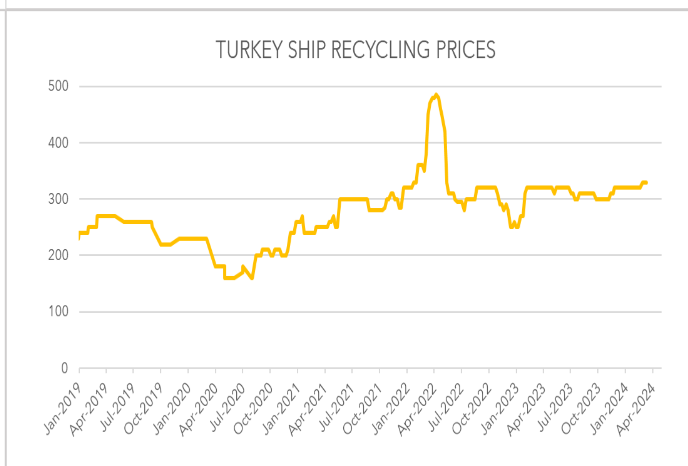
Ships Sold for Recycling

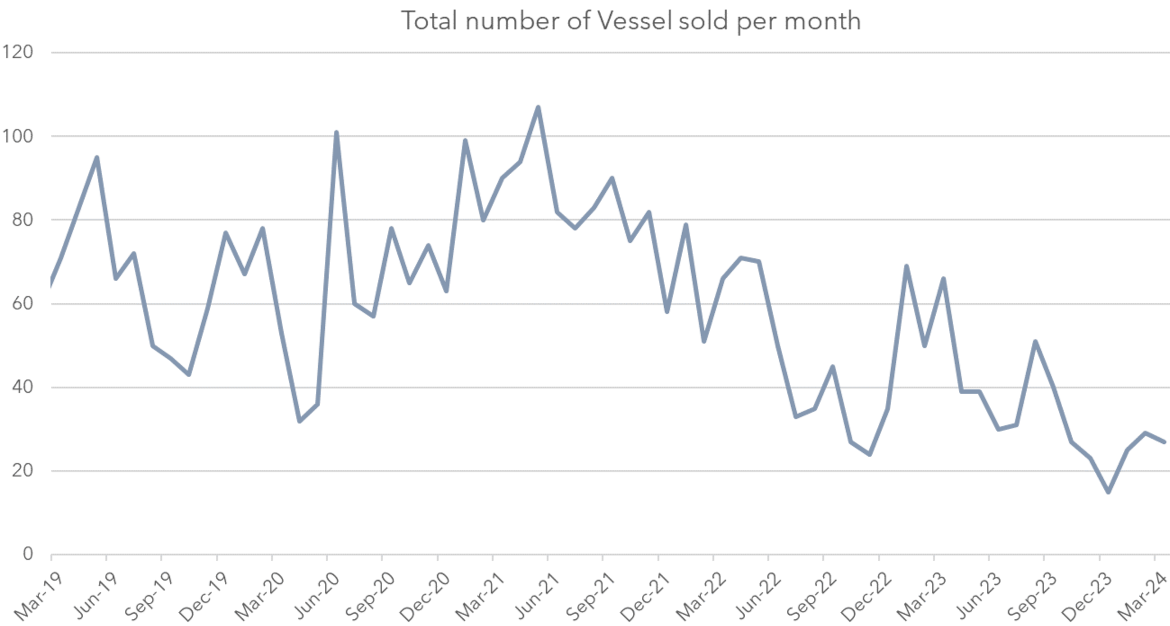
VESSEL NAME	LDT	YEAR / BUILT	TYPE	PRICE (USD/LDT LT)	COMMENTS
GUO DIAN 6	9,637	1993 / JAPAN	BULKER	468	AS IS SHANGHAI, CHINA
SINOKOR QINGDAO	4,672	1999 / CHINA	CONTAINER	593	DELIVERED FULL SUB-CONTINENT, 150 MT ROB INCLUDED
SINOKOR HONGKONG	5,300	1996 / JAPAN	CONTAINER	598	DELIVERED FULL SUB-CONTINENT WITH 350 MT ROB INCLUDED
MUDITA	6,979	1983 / JAPAN	LIMESTONE CARRIER	485	AS IS BATAM, INDONESIA

Recycling Ships Price Trend








Total number of Vessel sold per month
120
100
80
60
40
20
0
Mar-19
Jun-19
Sep-19
Dec-19
Mar-20
Jun-20
Sep-20
Dec-20
Mar-21
Jun-21
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Mar-22
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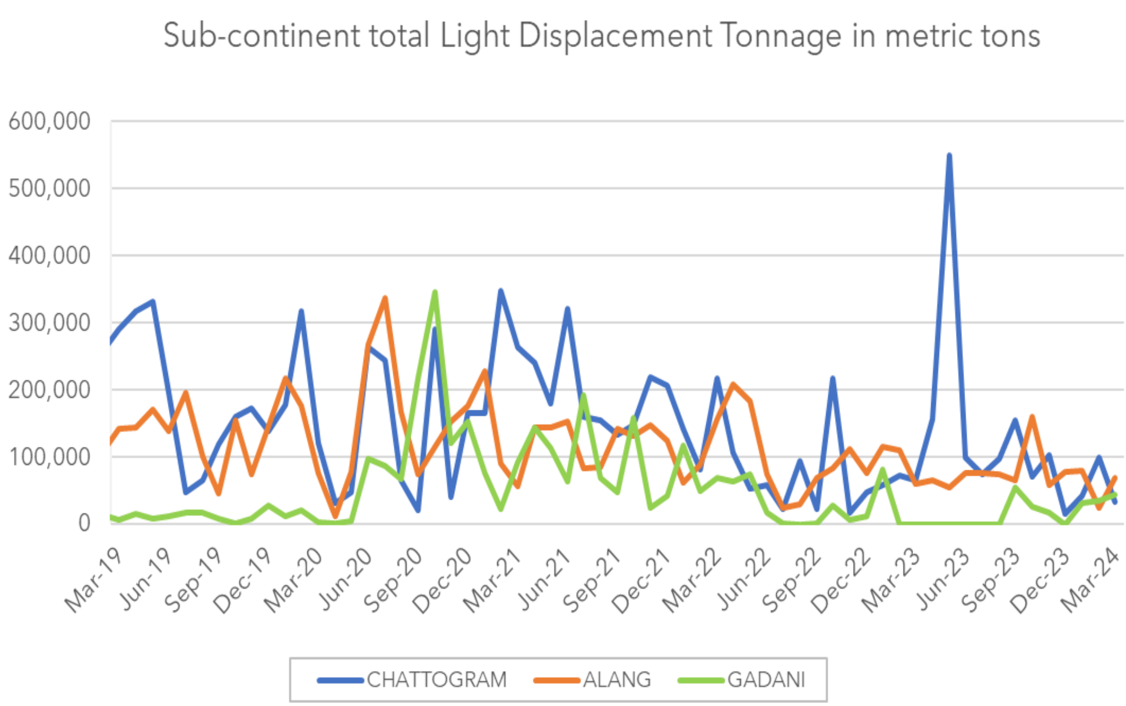
Sep-23
Dec-23
Mar-24


Sub-continent total Light Displacement Tonnage in metric tons
600,000
500,000
400,000
300,000
200,000
100,000
0
Mar-19
Jun-19
Sep-19
Dec-19
Mar-20
Jun-20
Sep-20
Dec-20
Mar-21
Jun-21
Sep-21
Dec-21
Mar-22
Jun-22
Sep-22
Dec-22
Mar-23
Jun-23
Sep-23
Dec-23
Mar-24
CHATTOGRAM
ALANG
GADANI

Insight

It was a quiet week across the market, with Eid holidays across the subcontinent and Turkey.

Not much activity was reported this week, and sales concluded before Wednesday celebrations.

Meanwhile, the latest report from BIMCO showed that ship recycling reached its lowest level in 20 years during the first quarter of 2024, with only 2 million deadweight tonnage (dwt) recycled. This marks the ninth consecutive quarter with recycling levels below 3 million dwt, a trend not seen since before the 2008 financial crisis. According to BIMCO, the low recycling rates can be attributed to strong demand following various market shocks and low order books, which have kept older ships operating longer than usual.

The current fleet size is much larger than before the financial crisis, and on average, only 0.1% of the fleet has been recycled during the past eight quarters, compared to the 20-year average of 0.45%. High demand, freight rates, and limited orders for new tankers and bulkers have contributed to the low ship recycling levels.

Alang, India

Following a prolonged period of market downturn, prices have recently stabilized, albeit without reaching the desired level of comfort for recyclers.

With various nations gearing up for elections scheduled for April to May, market activity is expected to remain subdued during this period.

Anchorage & Beaching Position (April 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

Chattogram, Bangladesh

This week, markets remained quiet due to the ongoing Eid holidays, but buying activities continued. Markets will reopen next week when business as usual.

Anchorage & Beaching Position (April 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
LU ZHOU	TANKER	534	02.04.2024	AWAITING
HONG YUAN YOU 19	TANKER	2,579	31.03.2024	AWAITING
HONG YUAN 01	CONTAINER	11,481	30.03.2024	AWAITING

Gadani, Pakistan

Markets remained closed for the Eid festive holidays.

As a result, no significant changes in pricing and real market conditions were observed during this time. Market participants are now awaiting the resumption of trading in the coming week to assess the impact of recent events and developments on prices and market dynamics.

Anchorage & Beaching Position (March 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
Oscar 1	GENERAL CARGO	2,620	20.03.2024	AWAITING
QATAR ANA	BULKER	8,015	26.03.2024	AWATIING
SEA FLOWER	GENERAL CARGO	5,282	27.03.2024	AWAITING
BOS LINA	GENERAL CARGO	3,287	29.03.2024	AWAITING

Aliaga, Turkey

Turkish imported ferrous scrap prices have experienced a slight increase as sellers anticipated a restocking surge. Despite a brief market pause, the bullish sentiment was revived by Türkiye’s leading steelmaker, which slashed its rebar list prices, driving up demand.

Buyers expect imported scrap prices to hold steady until early April, but a currency shock could trigger an increase in the next 2 to 3 months, driven by anticipated growth in finished product exports. Despite stable finished steel demand, overall market conditions for end-products remain weak. Observers anticipate a 10-30% currency depreciation, translating to TRY 35-40 against the dollar in the coming months.

On the ship recycling side, markets remain quiet this week due to the ongoing Eid celebrations in the country. Levels for ship recycling were seen in the region of US$320/t.

BEACHING TIDE DATES 2024		
Chattogram, Bangladesh	:	23 ~26 April | 7 ~10 May
Alang, India	:	23 ~ 29 April | 5~13 May

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	HSFO (3.5%)	MGO (0.1%)
SINGAPORE	648	507	811
HONG KONG	648	512	807
FUJAIRAH	645	477	902
ROTTERDAM	611	496	807
HOUSTON	664	498	850

EXCHANGE RATES			
CURRENCY	APRIL 12	APRIL 5	W-O-W % CHANGE
USD / CNY (CHINA)	7.23	7.23	0
USD / BDT (BANGLADESH)	109.72	109.85	+0.12%
USD / INR (INDIA)	83.56	83.33	-0.28%
USD / PKR (PAKISTAN)	277.97	277.89	-0.03%
USD / TRY (TURKEY)	32.36	31.94	-1.31%

Sub-Continent and Turkey ferrous scrap markets insight

Last week, the global ferrous scrap market demonstrated overall stability, with minimal fluctuations observed. In Sub-Continent, Indian buyers approached the market cautiously due to volatility in the domestic market and a slowdown attributed to regional festivities. Meanwhile, market activity in Pakistan and Bangladesh remained subdued as both countries observed Eid and related holidays.

In **Turkey**, imported ferrous scrap market activities remained sluggish, although a few deals emerged early in the week. Notably, a Mediterranean mill secured HMS (90:10) from a US supplier at US$387 per ton CFR and HMS (80:20) from a UK exporter at US$380 per ton CFR. European recyclers reported a slight decrease in collection costs to Euro 315 per ton delivered to docks.

Steelmakers in Turkey remained subdued amid Eid festivities, with trade expected to resume momentum in the following week. Analyst assessment for US-origin HMS (80:20) bulk scrap was at US$384 per ton CFR, while US East Coast bulk HMS (80:20) remained stable at US$365 per ton FOB. Rebar assessment stood at US$595 per ton FOB Iskenderun, with the scrap-to-rebar spread widening to US$210-211 per ton.

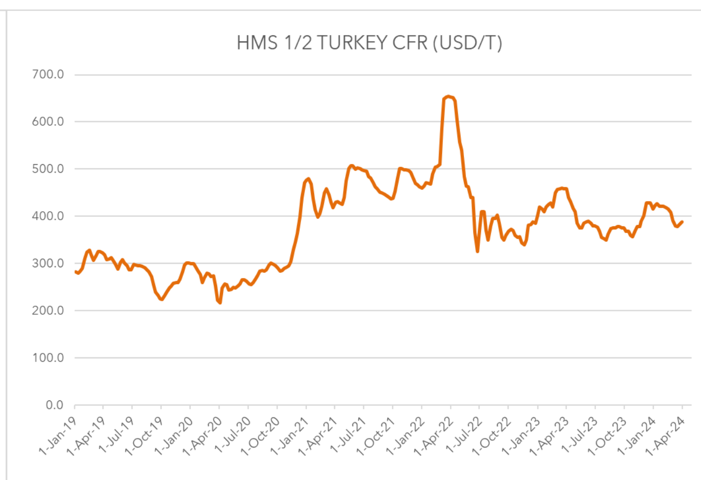
The Turkish Ministry of Commerce swiftly imposed export restrictions to Israel amid the Gaza conflict, which is anticipated to impact Turkish steel exports significantly, as Israel is a key import market.

In **India**, demand for imported scrap remained steady as buyers exercised caution amidst domestic market fluctuations. Shredded scrap offers from Europe saw a slight increase, rising by US$3 per ton to US$421 per ton CFR on a weekly average basis, compared to $418 per ton CFR in the previous week. Similarly, HMS (80:20) offers climbed to US$395 per ton CFR, up by US$3 per ton from the previous week's US$392 per ton CFR.

Transactions included the procurement of turning boring scrap from Europe at $360 per ton CFR, hand loaded HMS scraps from Kuwait at US$415 per ton CFR, and shredded scrap from the US at US$411 per ton CFR.

Market activity in **Pakistan** and **Bangladesh** was minimal throughout the week due to Eid holidays, with several mills announcing maintenance shutdowns due to a subdued finished steel market and the off-season surrounding Eid. Shredded scrap offers from Europe stood at US$426 per ton CFR Qasim on average, marking a US$2 per ton increase compared to the previous week. In Bangladesh, shredded scrap offers averaged $421 per ton CFR Chattogram, up US$2 per ton from a week ago, while HMS (80:20) offers remained steady at US$403 per ton CFR Chattogram week-over-week.

HMS 1/2 & Tangshan Billet



Commodities

Base metals initially saw robust gains in Asian markets, bolstered by persistent supply chain disruptions. These gains, however, were negated later in the trading session as a strengthening U.S. dollar dampened investor enthusiasm. Additionally, diminishing expectations of an impending Federal Reserve rate cut also put pressure on market sentiment. Despite these challenges, the ongoing scarcity in supply is expected to sustain the sector. Furthermore, reports continue to emerge about reductions at Chinese copper smelting facilities. In contrast, zinc prices managed to climb, driven by market concerns over imminent supply reductions. Zinc smelters are facing significantly reduced processing fees due to the tightness in the concentrate market.

Copper prices have soared to their highest since June 2022, fueled by a confluence of reduced ore supply and a revival in global demand, particularly as global manufacturing picks up pace. This surge is partially attributed to a mine-supply shock from the previous year, now coupled with unexpectedly robust demand, prompting investors to lean towards commodities as an inflation hedge.

On the London Metal Exchange, copper futures have climbed over 12% this year, peaking at US$9,590.50 a ton following reports of strong Chinese import data in March. The market's optimism is underpinned by constrained supply chains and signs of economic growth, particularly in China's industrial sector, which is showing signs of recovery.

Iron ore futures prices rose slightly on Thursday, driven by hopes of increased stimulus measures from China in the second quarter to support its economy. This optimism was triggered by the latest soft economic data from the country, which showed that the consumer price index grew by a mere 0.1% y-o-y in March and fell by 1.0% m-o-m. Additionally, the producer price index declined by 2.8% y-o-y in March, a larger drop compared to the previous month. These figures have put pressure on policymakers to introduce more stimulus measures as demand remains weak.

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)	109	+11.22%	+26.74%	98	86
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	111	+5.71%	-35.83%	105	173

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	431.80	+6.50	+1.53%	May 2024
3Mo Copper (L.M.E.)	USD / MT	9,342.00	-32.00	-0.34%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,454.00	-2.00	-0.08%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,758.50	+23.00	+0.84%	N/A
3Mo Tin (L.M.E.)	USD / MT	31,689.00	-318.00	-0.99%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	87.37	+2.35	+2.76%	May 2024
Brent Crude (ICE.)	USD / bbl.	91.86	+2.12	+2.36%	Jun 2024
Crude Oil (Tokyo)	J.P.Y. / kl	87,430.00	+530.00	+0.61%	Apr 2024
Natural Gas (Nymex)	USD / MMBtu	1.76	-0.01	-0.40%	May 2024

Note: all rates as at C.O.B. London time April 12, 2024

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