WEEKLY REPORT

WEEK 20 – May 18, 2024

This week, breaking news came from the Biden administration, which confirmed various tariffs on Chinese imports.

China has vehemently criticised the Biden administration's decision to increase tariffs on a wide range of Chinese imports, vowing to take retaliatory measures without providing specifics. The Ministry of Commerce stated that the US should immediately correct its actions and cancel the additional tariff measures against China, labelling them as "political manipulation" ahead of the US elections this year.

President Biden is hiking tariffs on imports from China, including semiconductors, solar cells, and critical minerals, with rates ranging from 25% for batteries to 100% for electric vehicles. This move is the culmination of a review of predecessor Donald Trump's tariff increases, none of which were rolled back.

The announcement caused some China stocks to decline on Wednesday. Semiconductor Manufacturing International Corp., LONGi Green Energy Technology Co., and BYD Co., the electric vehicle leader in China, all experienced losses.

While Beijing often attempted a tit-for-tat approach in response to Trump's tariff hikes from 2018 onwards, analysts expect a more limited response this time. Experts suggest that China's leadership will seek to avoid actions that could hurt Xi Jinping's efforts to bolster domestic and international confidence in China or make the country the centre of the US presidential campaign.

The US measures announced on Tuesday are themselves limited, which may help contain Beijing's response. Biden is trying to balance appearing tough on China while protecting US jobs without destabilising the domestic economy or inflaming inflation.

The repercussions of such a move is to be seen in the time to come.

Dry Bulk

BDI declined for the fifth consecutive session due to weaker rates across all segments. The overall index dropped 104 points to 1,889, marking its largest single-day loss since April 23.

BCI fell 232 points, reaching its lowest level in almost two weeks at 2,699. Average daily earnings fell by US$1,928 to US$22,383. Iron ore prices continued their decline, reflecting expectations of reduced demand in China and US tariffs on some Chinese goods.

BPI also fell by 73 points to 1,905, with average daily earnings decreasing to US$17,141 a day. For smaller vessels, BSI experienced a 22-point decline to 1,453.

Last week saw Capes spot rebounded, driving rates higher in line with futures market expectations. However, the market remains volatile, with the Atlantic region experiencing significant rate fluctuations. While solid commodity imports into China support the current upswing, the cyclical nature of the industry and potential slowdowns in iron ore trade and weather disruptions could pose risks to the robust Capesize market outlook.

Capesize:

In the Pacific market, the rate of decline slowed as vessels gradually absorbed the available cargo supply. Pacific r/v levels fell slightly to US$23,800's a day. Meanwhile, Brazil experienced a short-term rebound in rates as new iron ore cargoes entered the market. Brazil r/v saw a small climb to US$21,000 a day at closing. However, the North Atlantic market remained under downward pressure due to a persistent imbalance between supply and demand. This imbalance stemmed from a lack of new cargo inflows coupled with an accumulation of vessel supply in the region.

Panamax/Kamsarmax:

The Atlantic market continued its downward trend as the oversupply situation became more entrenched due to a rising number of vessels in the North European region. T/A saw levels slipped to US$15,400's a day. Conversely, although new demand remained sluggish in the NOPAC region, the Pacific market experienced a deceleration in the rate of decline, buoyed by an uptick in coal shipments from East Australia. Pacific r/v closed lower at US$16,500's a day.

Supramax/Ultramax:

The Atlantic market continued to see falling rates due to the persistent lack of new cargo across most routes. T/A levels fell to US$17,000's a day. Meanwhile, in the Pacific market, although vessel supply increased centred around Northeast Asia, the low inflow of new cargoes from Indonesia led to a fall in rates. Pacific r/v rates fell to US$15,500's a day. Overall, both major markets faced pressures due to supply-demand imbalances stemming from cargo shortages and excessive vessel supply.

Handysize:

Handysize follows the same trend as its bigger counterparts, with rates across all routes seeing a decline. It was quiet in the Pacific; levels saw a decline in the inter-Pacific with levels falling to US$ 10,500 a day. Meanwhile, cargo availability remained limited across the Atlantic. T/A fell to US$10,900's a day at closing.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,844	2,129	1,402	-13.39%	+31.53%
BCI	2,675	3,292	2,105	-18.74%	+27.08%
BPI	1,825	2,026	1,235	-9.92%	+47.77%
BSI	1,405	1,485	1,085	-5.39%	+29.49%
BHSI	690	703	614	-1.85%	+12.38%

Dry Bulk Values

(*Weekly*)

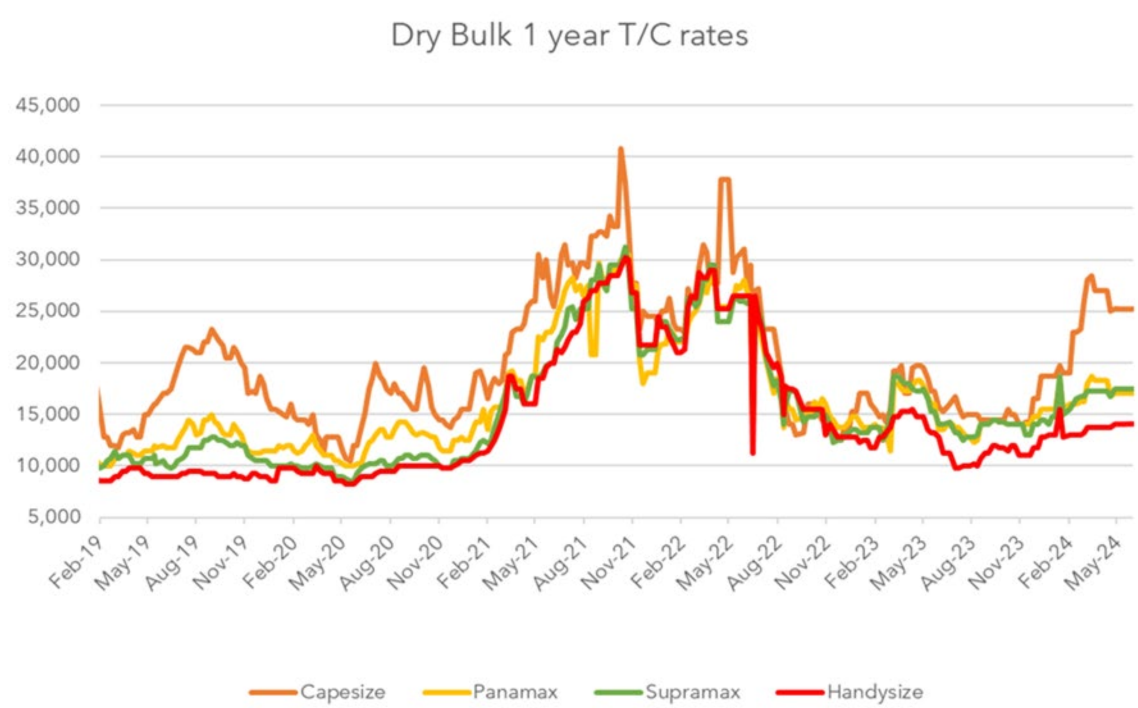
TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	72	76	63	44	28
KAMSARMAX	82,000	37	43	38	29	19
SUPRAMAX	56,000	34	42	35	27	15
HANDY	38,000	30	34	27	20	12
**(amount in USD million)*						

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	25,500	26,000	17,250	-1.92%	+47.83%
PANAMAX	75,000	15,750	16,300	14,250	-3.37%	+10.53%
SUPRAMAX	58,000	16,250	16,500	13,650	-1.52%	+19.05%
HANDYSIZE	38,000	15,000	14,500	10,500	+3.45%	+42.86%

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
CORINTHIAN PHOENIX	CAPE	179,223	2009	S. KOREA	30.0	HAYFIN CAPITAL
BALTIMORE	CAPE	177,243	2005	JAPAN	18.3	UNDISCLOSED
ASL URANUS	KMAX	82,372	2008	JAPAN	17.0	UNDISCLOSED
DONG JIANG YOU	PMAX	75,265	1999	ITALY	7.0	UNDISCLOSED
SSI PRIVILEGE	UMAX	63,566	2019	CHINA	32.2	UNDISCLOSED
FEDERAL ISLAND	UMAX	63,452	2017	JAPAN	32.7	MIDDLE EASTERN BUYERS
BELFRIEND / BELTIDE	SMAX	57,679	2016	CEBU	56.6	PANGAEA LOGISTICS SOLUTIONS
DELTA AVON	SMAX	56,897	2012	CHINA	14.0	CHINESE BUYERS
SUPER BERGKAMP	SMAX	55,651	2009	JAPAN	15.5	GREEK BUYERS
SIBULK TRADITION	SMAX	53,206	2008	JAPAN	14.5	MIDDLE EASTERN BUYERS
CIELO DI VALPARAISO	HANDY	39,232	2015	CHINA	21.8	UNDISCLOSED
ADMIRALTY SPIRIT	HANDY	32,263	2004	JAPAN	8.0	UNDISCLOSED



Tankers

This week's President Vladimir Putin state visit to China, saw him expressing Russia's and China's mutual interest in increasing their oil and gas trade. With Russia's relations with Western nations deteriorating due to the Ukraine invasion, Moscow is becoming increasingly reliant on energy deliveries to growing Asian economies like China.

Russia plans to build a second gas supply link to China by 2027 and is negotiating a third gas contract, which would facilitate a third pipeline through Mongolia. If all three lines operate, Russia's gas flows to China could reach nearly 100 billion cubic meters per year. Putin also mentioned the possibility of building an oil pipeline alongside the third gas link. Another supply option, according to Putin, would be for Russia to buy tankers internationally and ship hydrocarbons to China via the Northern Sea route through Arctic waters.

Meanwhile, attacks by Yemen's Houthi rebels in the Bab al-Mandab Strait have brought LNG tanker traffic through the passage of the Red Sea to a halt since mid-January. This has forced vessels to reroute around Africa, limiting suppliers and increasing shipping costs for buyers. As a result, the global LNG market is becoming increasingly fragmented, with traders finding homes for shipments closer to production sites to save on transportation.

This fragmentation could make it challenging to divert supply between regions in case of outages or surges in demand, potentially leading to higher prices or wider price spreads between Europe and Asia. Additionally, the Suez Canal and Panama Canal, previously important routes for LNG trade, have seen reduced traffic due to the Red Sea disruptions. While chartering costs have remained resilient so far, reflecting a comfortable supply in Europe, this could change as demand increases towards autumn.

VLCC:

With the completion of refinery maintenance in Europe, there has been an increased demand for vessels, causing a depletion of available ships in various regions. This week, markets in the MEG remain flat with 270,000mt to China at WS72. High demand and supply shortages are expected to sustain rates in some Atlantic basin, while 260,000mt West Africa/China fell slightly to WS73.

Suezmax:

Despite numerous charters in the Middle East, supply balance was maintained due to accumulated vessel availability, leading to steady rates by the end of the week.

140,000mt MEG/Med remains around the WS95. Following a midweek surge in VLCC rates, Suezmax vessels experienced a rise in cargo influx, leading to an increase in West Africa-Europe routes. However, at closing 130,000mt Nigeria/UKC lost recent gains to WS102.

Aframax:

Following an uptick of activities within Asia last week, there was a decrease in ballast supply from Asia to the Middle East. However, due to weak vessel demand in the Middle East region, freight rates ended the week unchanged. In the North Sea, 80,000mt Cross-UKC remains similar from last settling at WS144. In the Med/Black Sea area, rates firmed with a flurry of activity as cross-Med improved to WS195.

Clean:

LR: Midweek saw a surge in freight rates, especially on the MEG/Far East route, which closed slightly higher. This was driven by an uptick in eastbound demand. In LR1, TC5 also saw a climb with rates jumping to WS268. While in the UKC, TC16 fell slightly to WS157.

MR: In the Far East market, rates experienced a downward adjustment, leading to a relatively flat closing. MEG continued its uptick with TC17 climbing to WS394. On the other side, USG fell as TC14 lost about 40 points to WS132.

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	1,195	1,155	1,312	+3.46%	-8.92%
BCTI	1,036	996	587	+4.02%	+76.49%

Tankers Values

(Weekly)

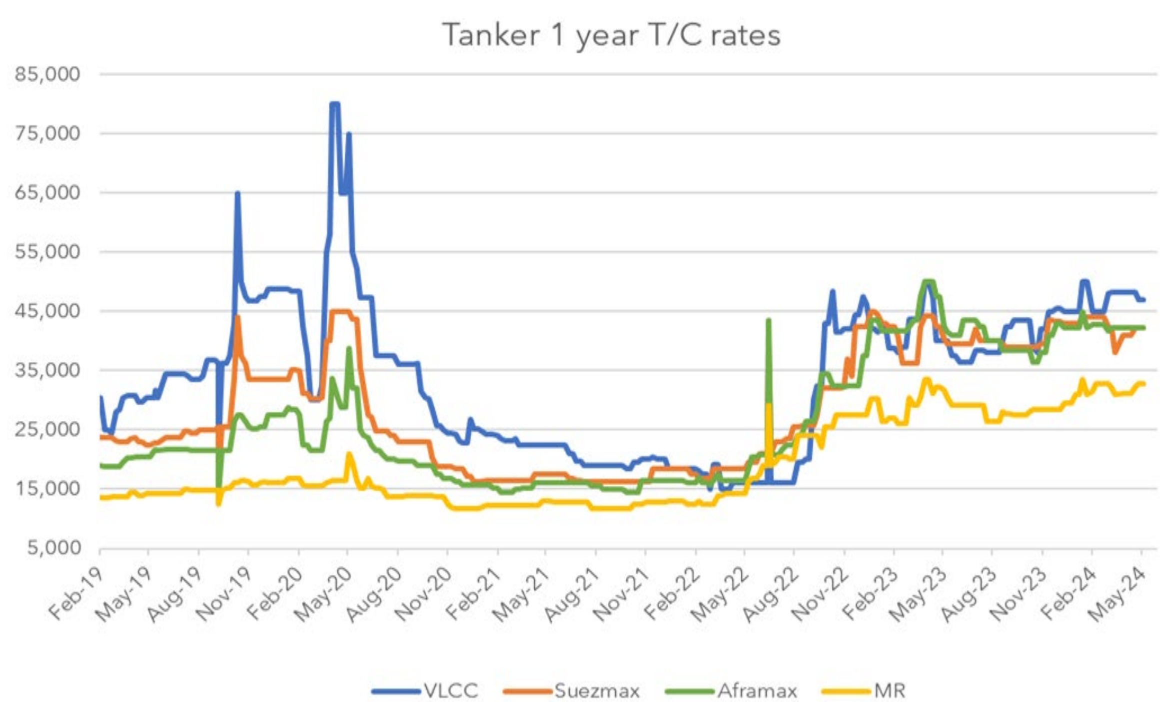
TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	130	145	115	85	58
SUEZMAX	160,000	88	99	83	68	50
AFRAMAX	115,000	72	85	72	60	44
LR1	73,000	60	63	53	43	31
MR	51,000	50	53	45	38	27
*(amount in USD million)						

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	48,000	46,750	37,500	+2.67%	+28.00%
SUEZMAX	150,000	44,500	42,500	39,500	+4.71%	+12.66%
AFRAMAX	110,000	42,500	42,500	41,000	0	+3.66%
LR1	74,000	37,500	37,500	35,500	0	+5.63%
MR	47,000	30,750	30,250	26,500	+1.65%	+16.04%

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
DEMETRIOS	SUEZ	149,999	2011	CHINA	53.0	UAE BASED BUYERS
GULF ESPRIT	MR	46,891	2006	S. KOREA	22.0	UNDISCLOSED
ARS ET LABOR	MR	40,416	2008	ROMANIA	25.0	ITALIAN BUYERS
G BRIGHT	PROD / CHEM	19,931	2004	JAPAN	15.3 (SS)	INDONESIAN BUYERS



Containers

The SCFI, after a two-week break for the Labor Day holiday, surged at an unprecedented rate since the Suez Canal incident, surpassing previous highs. Freight rates on all routes to and from China exhibited an upward trend.

This spike was fueled by a combination of factors. Shippers rushed to secure at least two weeks' worth of inventory due to longer transportation times from rerouting around the Cape of Good Hope, causing a surge in transportation demand. The Suez situation also contributed to port congestion.

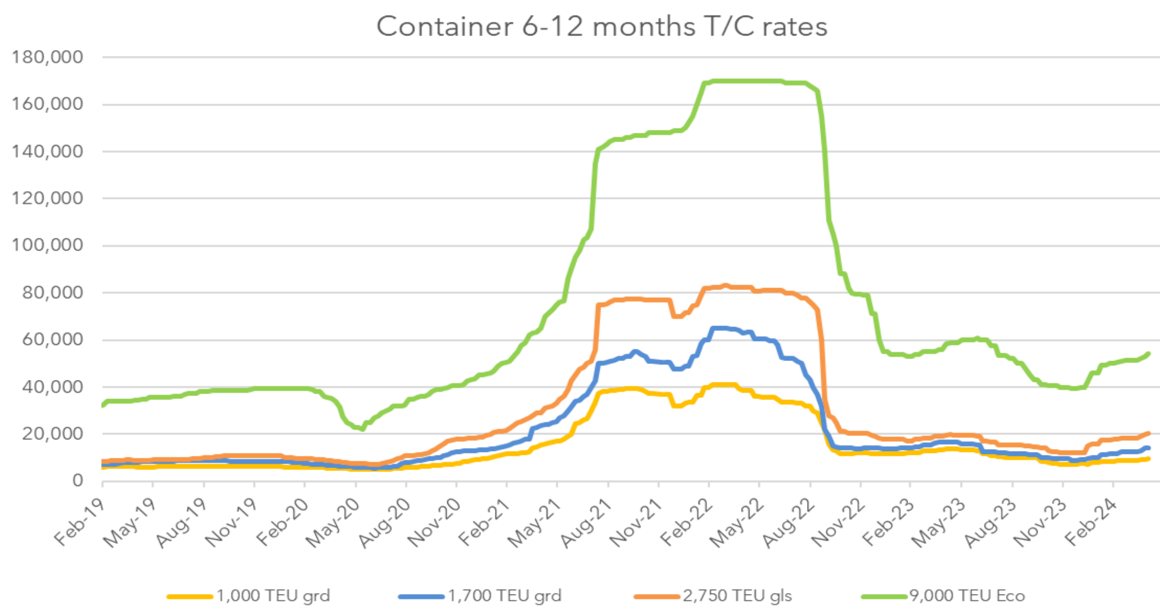
Ships rerouting around the Cape of Good Hope are now calling at smaller ports instead of regular terminals, leading to equipment usage limitations and bottlenecks at these smaller ports previously used by feeder vessels.

Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
NAVIOS LAPIS	PMAX	4,253	2009	CHINA	24.0	CHINESE BUYERS
MENDELSSOHN	PMAX	3,635	2012	CHINA	22.5	UNDISCLOSED
BAO ZHOU CI TONG	FEEDER	1,900	2024	CHINA	21.7	MALAYSIAN BUYERS
ACACIA LIBRA	FEEDER	1,022	2007	CHINA	5.5	MERATUS

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	30	22	16	11
2,700 – 2,900	Gearless	41	40	31	23	17
5,100	Gearless	78	72	55	28	25
(amount in USD million)						


Container 6-12 months T/C rates
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
Feb-19
May-19
Aug-19
Nov-19
Feb-20
May-20
Aug-20
Nov-20
Feb-21
May-21
Aug-21
Nov-21
Feb-22
May-22
Aug-22
Nov-22
Feb-23
May-23
Aug-23
Nov-23
Feb-24
1,000 TEU grd
1,700 TEU grd
2,750 TEU gls
9,000 TEU Eco

Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
ALANG (WC INDIA) .	540 ~ 550	520 ~ 530	530 ~ 540	550 ~ 560	IMPROVING/
CHATTOGRAM, BANGLADESH	520 ~530	510 ~ 520	490~ 500	530 ~ 540	WEAK /
GADDANI, PAKISTAN	520 ~ 530	510 ~ 520	500 ~ 510	530 ~ 540	WEAK /
TURKEY *For Non-EU ships. For E.U. Ship, the prices are about USD 20-30/ton less*	360 ~ 370	330 ~ 340	340 ~ 350	380 ~ 390	IMPROVING /

- 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

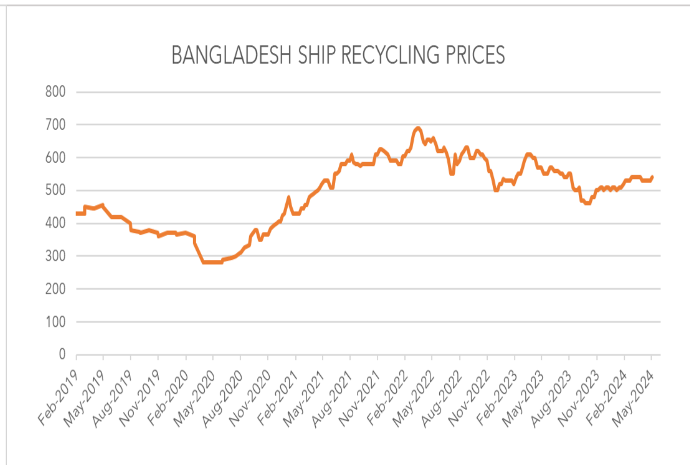
(Week 20)

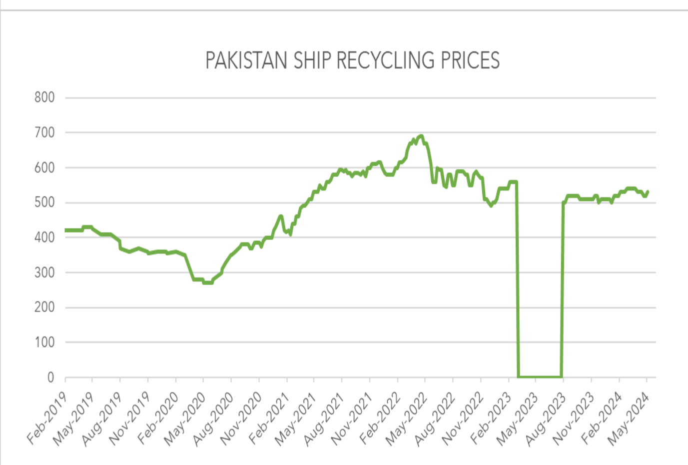
DESTINATION	2019	2020	2021	2022	2023
ALANG, INDIA	435	330	510	620	540
CHATTOGRAM, BANGLADESH	430	310	520	640	560
GADDANI, PAKISTAN	420	300	540	610	520
ALIAGA, TURKEY	270	170	307	310	325

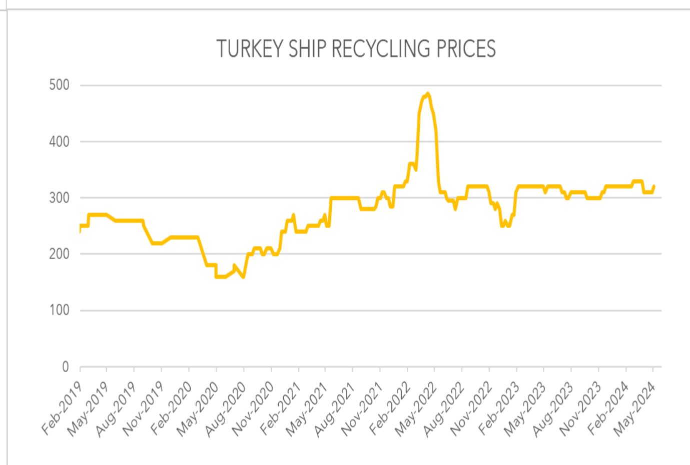
Ships Sold for Recycling

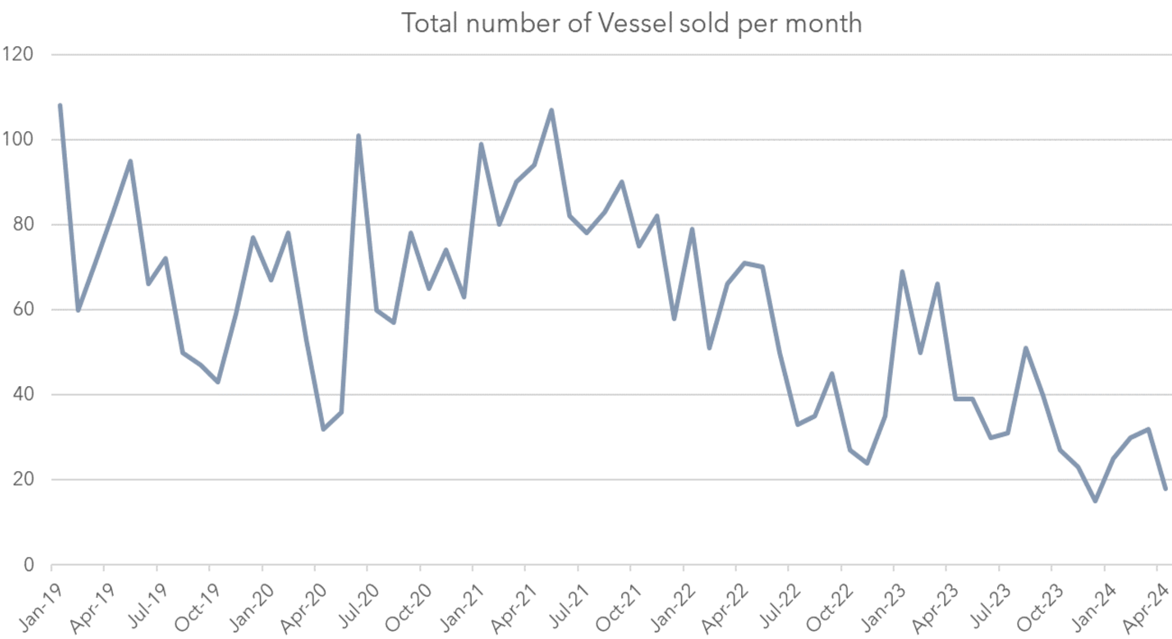
VESSEL NAME	LDT	YEAR / BUILT	TYPE	PRICE (USD/LDT LT)	COMMENTS
HEUNG-A TOKYO	2,400	1996 / S. KOREA	CONTAINER	580	DELIVERED SUB-CONTINENT
GAKU	7,795	1997 / JAPAN	VEHICLE CARRIER	UNDISCLOSED	DELIVERED CHATTOGRAM FOR HKC RECYCLING
UNI-ASSURE	7,098	1998 / JAPAN	CONTAINER	377	AS IS PIRAEUS, GREECE FOR REDELIVERY TURKEY
EVER URANUS	24,328	1999 / JAPAN	CONTAINER	542	AS IS PORT KLANG, MALAYSIA FOR REDELIVERY ALANG HKC
URANUS J	5,778	1996 / JAPAN	BULKER	UNDISCLOSED	DELIVERED GADANI
UNITED ID	7,173	1991 / JAPAN	BULKER	UNDISCLOSED	DELIVERED GADANI

Recycling Ships Price Trend








Total number of Vessel sold per month
120
100
80
60
40
20
0
Jan-19
Apr-19
Jul-19
Oct-19
Jan-20
Apr-20
Jul-20
Oct-20
Jan-21
Apr-21
Jul-21
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Jan-22
Apr-22
Jul-22
Oct-22
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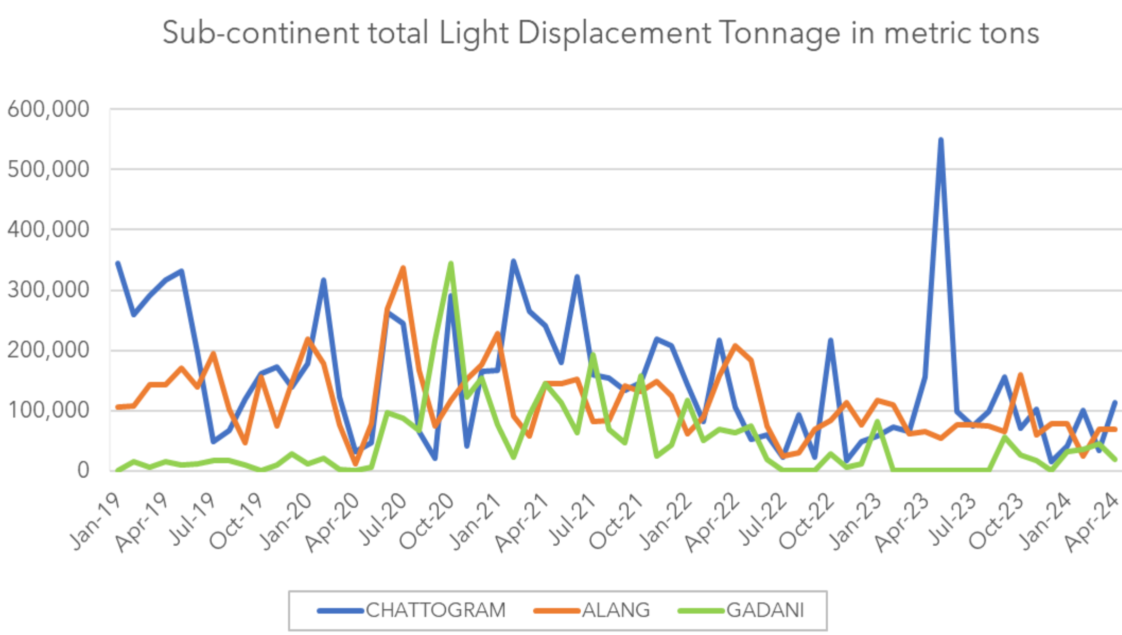
Jul-23
Oct-23
Jan-24
Apr-24


Sub-continent total Light Displacement Tonnage in metric tons
600,000
500,000
400,000
300,000
200,000
100,000
0
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
CHATTOGRAM
ALANG
GADANI

Insight

This week was a mixed week in the recycling segment.

While the tanker and dry bulk segment continues to enjoy the benefits of the current strength of the market with robust time charter rates, container owners are folding the towels, with most of the sales reported this week from the segment.

This week, Alang has made significant strides, posing strong competition to its neighbours. Bolstered by domestic support and the ongoing optimism surrounding the elections, Alang's progress is noteworthy.

Alang, India

The markets continued their upward trend with robust demand amidst increasing ship scrap prices. The recyclers at Alang seem to be gaining confidence that PM Narendra Modi's re-election victory will pave the way for the much-anticipated portfolio of infrastructure projects. These projects have the potential to propel India's economy, which is currently the fifth largest in the world.

This week, Evergreen sold their *"Ever Uranus"*, 1999 Japanese built weighing 24,328 tons at a high price of USD542/ton on an as-is Port Klang basis, eventually to be recycled in Alang. It will be very interesting to see what the Alang recyclers will pay, as that may set a new benchmark for the time being for such large containers.

The levels at which sold on an as is basis itself demonstrate the strength of the Alang container markets. Experts do believe that if all parameters remain as they are at this moment with gradual improvement in the domestic ship scrap markets, the prices may soon embrace the USD600/ton mark for the container segment.

On the other hand, India's steel industry is bracing for a potential flood of cheaper steel imports from China in the wake of the U.S. imposing steep tariffs on Chinese steel and aluminum imports. Industry leaders warn India is highly vulnerable to a surge of "predatory imports" as other major markets shut their doors to steel exporters.

Over the past two years, India has already grappled with an influx of low-priced Chinese steel aided by weak domestic demand, hurting local producers. While steelmakers have lobbied for import curbs, the government has resisted, citing robust steel consumption driven by economic growth. In fiscal 2023-24, India became a net importer of finished steel, with China nearly doubling its exports to 2.7 million tons, making it India's largest steel supplier.

With elections looming, the industry expects the new government to introduce tariff measures if margins are severely impacted by cheap imports.

Anchorage & Beaching Position (May 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
FROST OLYMPUS	REEFER	2,410	18.05.2024	AWAITING
OCMIS GAR	GEN. CARGO	2,477	17.05.2024	AWAITING
NEW COURAGE	GEN. CARGO	4,426	17.05.2024	AWAITING
FESCO TRADER	CONTAINER	5,114	09.05.2024	AWAITING
TAHARA	RIG	9,445	07.05.2024	10.05.2024
AMANAH	RORO	8,997	27.04.2024	06.05.2024
KEL	CHEM.TANKER	3,535	02.05.2024	04.05.2024
DARK KNIGHT	AHTS	2,606	30.04.2024	01.05.2024
LEO	FSPO	23,590	30.04.2024	01.05.2024

Chattogram, Bangladesh

This week was a quiet one for this segment as the upcoming budget meeting in early June has led buyers to stay on the fence while they wait for the fresh tonnages.

However, ships sold in the past are making their way smoothly to the shores as the recyclers were trying to build up inventories pre-budget.

Bangladesh's foreign exchange reserves have been declining since September 2021, despite government efforts, reaching US$18.42 billion in gross international reserves as of late, barely covering three and a half months of imports. The net international reserves, at US$13 billion, cover only two and a half months.

The IMF lowered the net reserve target to US$14.76 billion for June. Reserves had peaked at US$48 billion in August 2021 due to reduced import payments and increased remittances during the pandemic. However, rising imports, global commodity price hikes due to the Russia-Ukraine war, mismanagement in the forex market, policy changes, and exchange rate gaps contributed to the reserves' depletion.

Since August 2021, reserves have fallen by US$24 billion, prompting concerns about Bangladesh's economic strength and credit rating. The central bank recently introduced a crawling peg system, setting the dollar rate at Tk 117 to stabilize the forex market and boost exports and remittances, thereby replenishing reserves.

Anchorage & Beaching Position (May 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
HANJI	AHTS	2,213	18.05.2024	AWAITING
GAKU	PCC	7,795	16.05.2024	AWAITING
BAO DI LONG	MPP	3,133	14.05.2024	AWAITING
XIN LV BAO SHI	BULKER	7,785	14.05.2024	AWAITING
SIA 2	CONTAINER	1,836	10.05.2024	15.05.2024
PILATUS 21	LPG	889	11.05.2024	15.05.2024
SIA 3	CONTAINER	2,166	07.05.2024	11.05.2024
SIA 32	CONTAINER	2,801	02.05.2024	07.05.2024
HONG XI	GEN.CARGO	3,621	01.05.2024	08.05.2024
JAL GAMINI	TANKER	22,572	27.04.2024	08.05.2024
INTER STEVEDORING 8	WOODCHIP	11,104	04.05.2024	09.05.2024
PITA ERMA	GEN.CARGO	6,002	25.05.2024	07.05.2024
SINOKOR QINGDAO	CONTAINER	4,734	23.04.2024	08.05.2024

Gadani, Pakistan

Pakistani recycling market continued their subdued outlook this week, and their increasingly noticeable absence from the bidding tables has resulted in Gadani's anchorage remaining inactive this week.

Anchorage & Beaching Position (May 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

Aliaga, Turkey

Turkish mills are holding domestic scrap buying prices steady despite softer imported scrap values, as suppliers resist lower bids counting on mills' requirements for June shipments.

However, some mills believe demand is being overstated amidst subdued export rebar sales and sluggish domestic demand due to financing challenges. Despite modest price increase attempts by some mills, higher scrap quotes found little buying interest. There are also rumors of a significant energy price hike to be implemented in June or July that could potentially impact affordability.

Turkish shipbreaking scrap prices stood at US$375-390/t delivered midweek, down US$5/t from the high end of last week's range. The Turkish currency stood at 32.24 per dollar at business close.

BEACHING TIDE DATES 2024		
Chattogram, Bangladesh	:	22 ~ 25 MAY | 5 ~ 8 June
Alang, India	:	21 ~ 29 MAY | 3 ~ 11 June

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	HSFO (3.5%)	MGO (0.1%)
SINGAPORE	618	515	718
HONG KONG	633	522	735
FUJAIRAH	622	511	872
ROTTERDAM	566	479	740
HOUSTON	595	485	759

EXCHANGE RATES			
CURRENCY	MAY 17	MAY 10	W-O-W % CHANGE
USD / CNY (CHINA)	7.22	7.22	0
USD / BDT (BANGLADESH)	117.18	117.01	-0.15%
USD / INR (INDIA)	83.27	83.54	+0.32%
USD / PKR (PAKISTAN)	278.40	277.84	-0.20%
USD / TRY (TURKEY)	32.20	32.27	+0.22%

Sub-Continent and Turkey ferrous scrap markets insight

The ferrous scrap market exhibited mixed trends, with minor decreases of up to 2% observed in some regions. In South Asia, Indian buyers were more active compared to their counterparts in Pakistan and Bangladesh. Despite this, the overall market pace remained slow due to domestic market volatility and sluggish sales of finished steel products. In Pakistan, the gap between domestic and imported scrap prices kept buyers muted, while in Bangladesh, purchasing activity slowed as buyers awaited clearer price directions amid softening global scrap prices.

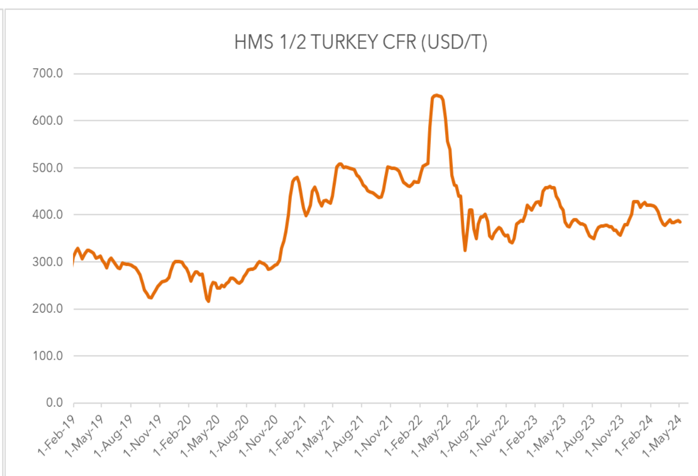
In **India**, demand for imported scrap remained moderate as buyers engaged in need-based purchasing due to domestic market volatility. This volatility was driven by slow finished steel sales and ample stockpiles booked in the previous month. Shredded scrap offers from the US and Europe remained largely stable at around US$424-427/t CFR Nhava Sheva, while HMS (80:20) offers from Europe were unchanged at US$405/t CFR.

Pakistani buyers remained inactive due to the significant gap between imported and domestic scrap prices. Sluggish sales in finished steel negatively impacted market sentiment, leading to temporary production halts at several steel mills. Shredded scrap offers from Europe were assessed as range-bound at US$422/t CFR Qasim on a weekly average basis.

In **Bangladesh**, the imported ferrous scrap market remained range-bound. Improved forex conditions eased the process of opening new LC and fulfilling regular procurement needs. Offers for US bulk HMS stood at US$405-410/t, with H2 bulk from Japan at US$400-404/t. HMS containers from Australia were priced at US$412-415/t, with negotiations at US$406-408/t. Shredded containers from the UK were offered at US$422-425/t.

In **Turkey**, steel producers secured several deals towards the end of the week, with seven to eight cargoes booked for early June shipments from the US and Europe. Approximately 15-17 bulk cargoes have been booked for June shipments this month. US-origin HMS (80:20) bulk scrap priced at US$380/t CFR, reflecting a slight decline of US$2/t week-on-week. Similarly, HMS (80:20) from the US East Coast is assessed at US$356/t FOB, down US$2/t week-on-week.

HMS 1/2 & Tangshan Billet



Commodities

Iron ore prices declined for the second straight session midweek, dragged down by expectations of seasonally lower demand in China, the top consumer, and the U.S. announcement of steep tariff hikes on certain Chinese imports, including steel and aluminum products. The most-traded iron ore contracts on the Dalian and Singapore exchanges fell but recovered at the week's closing, fueled by resilient consumption and a brighter demand outlook in China.

The most actively traded September iron ore contract on the Dalian Commodity Exchange closed the daytime trading session 2.18% higher at 891.5 yuan (US$123.47) per metric ton, marking the highest level since May 8. The benchmark June iron ore contract on the Singapore Exchange also rose 1.37% to US$118.15 a ton, posting a weekly increase of 1.8%.

Sentiment also received a boost from China's announcement of some of its most far-reaching measures yet to stabilise the crisis-hit property sector. These measures include allowing local governments to purchase "some" apartments, relaxing mortgage rules, and pledging further efforts to deliver unfinished homes. This move came after a batch of data revealed weak demand in the property sector.

Steel benchmarks on the Shanghai exchange trended lower, with rebar, hot-rolled coil, wire rod, and stainless steel seeing declines. Analysts noted signs of softening steel demand entering May, coupled with a slowdown in the destocking of steel products. The tariff hikes announced by the U.S. added to the bearish sentiment in the ferrous complex.

Copper's rally showed no signs of slowing, even as the short squeeze on the Comex began to ease. The New York-based exchange raised margins by 11%, causing the July contract to dip by 1.2%. In contrast, LME copper for three-month delivery rose by 1.9%. Earlier this week, the spread between contracts on the two exchanges peaked at USD 1,000/t before narrowing to USD 300/t. Overall sentiment remains buoyed by the prospect of rate cuts in the US, following data indicating a decline in inflation.

Aluminum prices bucked the overall trend, ending the session lower as European production began to rebound. Trimet Aluminum SE announced increased output from its smelters in France and Germany, signalling a relief in energy costs after recent shortages.

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)	117	0%	+5.4%	117	111
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	120	0%	+21.21%	120	99

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	505.00	+17.30	+3.55%	Jul 2024
3Mo Copper (L.M.E.)	USD / MT	10,424.00	+205.00	+2.01%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,586.50	-12.00	-0.46%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,960.00	-16.00	-0.54%	N/A
3Mo Tin (L.M.E.)	USD / MT	33,729.00	+319.00	+0.95%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	80.06	+0.83	+1.05%	Jun 2024
Brent Crude (ICE.)	USD / bbl.	83.98	+0.71	+0.85%	Jul 2024
Crude Oil (Tokyo)	J.P.Y. / kl	82,980.00	+200.00	+0.24%	May 2024
Natural Gas (Nymex)	USD / MMBtu	2.63	+0.13	+5.25%	Jun 2024

Note: all rates as at C.O.B. London time May 17, 2024

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