



WEEKLY REPORT

WEEK 21 – May 25, 2024

China has escalated tensions with Taiwan by launching its most extensive military drills around the island in over a year, just days after Lai Ching-Te assumed the presidency. The drills, which commenced on Thursday, were described as a "strong punishment" for "Taiwan independence" forces and a "stern warning" against external interference, a likely reference to the United States, Taiwan's primary military backer.

In response, Taiwan deployed its sea, air, and ground forces, while the Defense Ministry in Taipei condemned Beijing's provocations as undermining regional peace and stability. The ministry's spokesman stated that Taiwan's military was at a normal level of combat readiness. The news of the military drills caused a surge in Chinese defence stocks, with some companies gaining up to 20%.

Lai Ching-Te, who took office on Monday, stated in his inaugural address that China should drop its threat of war and that neither side of the strait was subordinate to the other. China has already signalled its displeasure with Lai, accusing him of sending a "dangerous signal of seeking independence" and condemning the US for congratulating him.

On the other side of the world, Russian sources claim President Vladimir Putin is ready to negotiate a ceasefire with Ukraine that would freeze the conflict along current battlefield lines. However, he remains committed to fighting if Kyiv and the West reject this proposal. Putin believes the territorial gains so far could be presented as a victory to the Russian people but does not want another nationwide mobilisation due to its potential impact on his popularity.

While Ukraine has dismissed negotiations on Putin's terms, the sources suggest he is willing to freeze the conflict even if it falls short of Russia's initial goals of fully controlling the annexed regions. The U.S. and its allies remain committed to supporting Ukraine, but Russia is concerned about the risks of further escalation with the West.

Dry Bulk

Despite robust coal demand from Asia, particularly India and China, Cape market experienced less than hearty freight rates compared to previous week. India's soaring energy requirements, fuelled by scorching temperatures, have driven a surge in thermal coal imports, prompting stockpiling efforts ahead of the monsoon season when domestic production is disrupted. Compounding the situation, the dearth of coal cargoes destined for Europe has prompted vessels to ballast towards South America, further contributing to the freight rate decline in the dry bulk market.

This week, the Baltic Dry Index (BDI) saw a slight decline on Thursday, but steady Capesize rates managed to offset the decreases observed in smaller vessel segments. The overall index fell 8 points to 1,796, while BCI remained steady at 2,584. Conversely, BPI gained a modest 1 point, reaching 1,832.

Average daily earnings for Capes saw a slight increase to US\$21,432. Similarly, Panamax earnings also witnessed an uptick, rising to US\$16,492. However, among the smaller segments, BSI experienced a more significant decline, falling by 26 points to 1,345.

While Capesize rates remained stable and Panamax rates improved marginally, the BDI's overall decline was primarily driven by the decreasing rates in the smaller vessel segments. The market's performance was influenced by factors such as China's potential shift towards renewable energy sources, which could impact steam coal imports, as well as the impact of a stronger U.S. dollar on commodities like iron ore, contributing to broader risk-off sentiment.

Capesize:

While the Pacific region grappled with lacklustre fresh inquiries, even as Singaporean traders resumed operations, the market experienced a further dip in rates. Simultaneously, the Brazilian market continued its bearish trajectory, with a healthy supply of ballasters anticipated for June arrivals, maintaining the downward pressure. While the Pacific and Brazilian markets faced headwinds due to subdued demand and an oversupply of vessels, the North Atlantic region bucked the trend, buoyed by fresh cargo requirements, particularly for Colombian coal shipments. Pacific r/v fell to US\$ 20,900 a day, while T/A saw levels close to around US\$ 22,500 a day.

Panamax/Kamsarmax:

Although the North Atlantic region witnessed a modest uptick in demand for U.S. coal, the overall market faced a continued downward trend as other cargo requirements remained lacklustre. T/A levels fell to US\$14,000's a day. Meanwhile, in the Pacific, the upward momentum experienced a slowdown despite an increase in demand for Indonesian coal. This deceleration was attributed to an accumulation of spot vessels, compounded by a decline in Cape rates, which collectively exerted downward pressure on the market. Pacific r/v at closing, climb slightly to US\$17,300's a day.

Supramax/Ultramax:

In the Atlantic region, the oversupply situation built up as major trade routes grappled with an absence of fresh cargo. The lack of demand exacerbated the imbalance between vessel availability and cargo volumes, tipping the scales further. T/A levels fell to US\$15,900's a day. Meanwhile, in the Pacific, although the demand for NOPAC grains remained robust, the lack of sufficient inflows of Indonesian and East Australian coal cargoes weighed on the overall market sentiment, leading to a decline in rates. Pacific r/v fell to US\$14,800's a day.

Handysize:

Handysize cargo availability saw improvements across the Atlantic, but prompt tonnage levels limited the positive gains. T/A levels remain similar as last closing at US\$10,500's on Friday. In the Pacific, healthy cargo availability saw rates climb slightly higher, despite holidays in Singapore. Inter Pacific levels improved to US\$10,300's a day.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,797	1,844	1,172	-2.55%	+53.33%
BCI	2,613	2,675	1,683	-2.32%	+55.26%
BPI	1,824	1,825	1,119	-0.05%	+63.00%
BSI	1,326	1,405	946	-5.62%	+40.17%
BHSI	688	690	588	-0.29%	+17.01%

Dry Bulk Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	73	77	63	44	28
KAMSARMAX	82,000	37	43	38	29	19
SUPRAMAX	56,000	34	42	36	28	15
HANDY	38,000	30	35	28	21	12

*(amount in USD million)

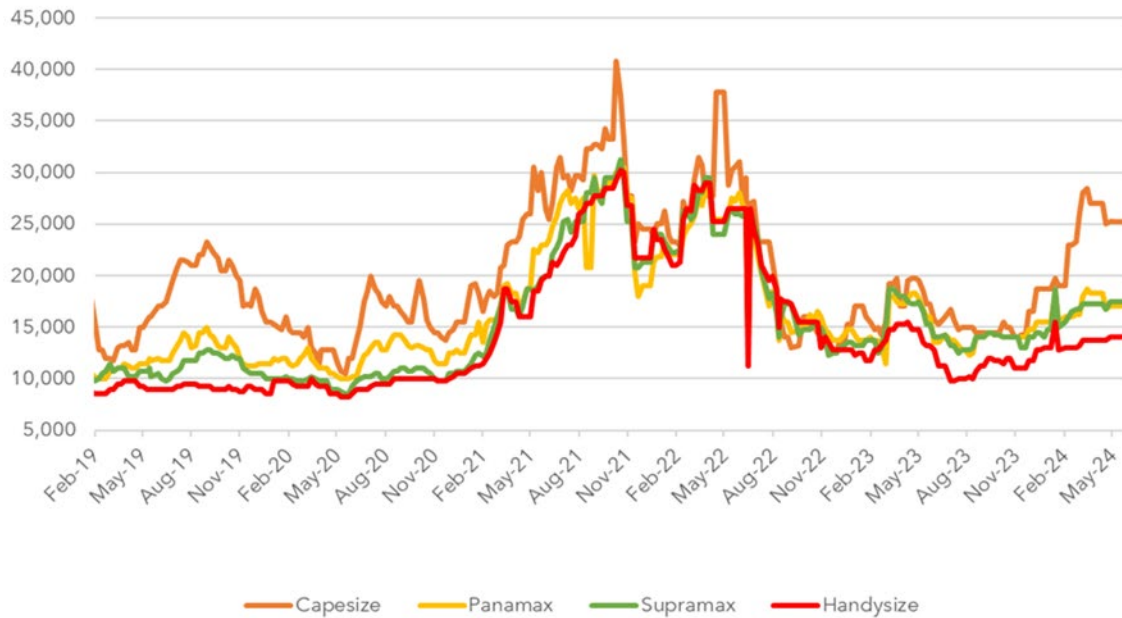
Bulker 12 months T/C rates average (in USD/day)

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
CAPE SIZE	180,000	24,000	25,500	15,750	-5.88%	+52.38%
PANAMAX	75,000	15,800	15,750	12,000	+0.32%	+31.67%
SUPRAMAX	58,000	16,250	16,250	12,750	0	+27.45%
HANDY SIZE	38,000	14,500	15,000	10,500	-3.33%	+38.10%

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
FOMENTO ONE	VLOC	206,810	2016	S. KOREA	55.25	GREEK BUYERS
EL GRASSO	CAPE	181,365	2012	JAPAN	35.0	AGRICORE
LILA SINGAPORE	CAPE	175,980	2003	TAIWAN	14.0	CHINESE BUYERS
VALIANT SUMMER	PMAX	81,920	2016	CHINA	32.5	GERMAN BUYERS
VINCENT TALISMAN	KMAX	81,577	2020	CHINA	33.2	CHINESE BUYERS
YING HAO 03	PMAX	76,037	2012	CHINA	17.2	CHINESE BUYERS
PING HAI	UMAX	62,623	2017	JAPAN	32.0	TURKISH BUYERS
MARYLAKI	SMAX	58,114	2010	CHINA	17.2	CHINESE BUYERS
V RICH	SMAX	56,546	2014	CHINA	19.0	GREEK BUYERS
CHIPOL BAOAN	HANDY	33,217	2009	CHINA	10.8	GERMAN BUYERS
PERSENIK / BELMEKEN	HANDY	30,361	2010	CHINA	21.0	UNDISCLOSED
SEVGI	GC	28,164	2012	CHINA	16.2	UNDISCLOSED

Dry Bulk 1 year T/C rates



Tankers

Pessimism remains high in the oil markets, with hedge funds leaning towards short positions. Brent crude prices have been range-bound around US\$83.50 per barrel, pushing volatility to lower levels. Standard Chartered predicts that this bearish sentiment and low volatility are likely to persist until OPEC+ announces its policy decision in early June, which could potentially trigger another rally in oil prices.

Despite the recent rally, there are predictions that Europe's gas flows will gradually return to normal by the end of May, potentially dampening demand and slowing the pace of inventory builds. Warmer weather forecasts until the end of May have already dampened gas demand, resulting in European gas storage facilities surpassing 67% capacity.

The energy sector's stock gains moderated in response to the end of the early-year oil price rally, slipping to the fifth-best performing sector year-to-date. However, Wall Street remains bullish on oil and gas stocks, with analysts expressing a favourable outlook, particularly for the Energy sector. Recent analyses suggest that oil and gas stocks are likely to continue outperforming the market regardless of whether Biden or Trump occupies the White House in 2025.

Overall, the oil markets remain subdued, with natural gas markets experiencing a resurgence driven by improved supply/demand dynamics and concerns over supply disruptions. As the markets navigate these shifting dynamics, the energy sector's stock performance has moderated, many remains optimistic about its potential for further gains.

VLCC:

The Middle East/China route, which closed on a strong note previous week, fell this week as May cargoes were completed. 270,000mt MEG/China fell to WS68. The Middle East market saw a decline influenced by the strong rates in the West regions. On the other side, the Atlantic saw a decline in chartering demand for the second consecutive week with 260,000mt WAFR/China falling to WS71.

Suezmax:

The West market was subdued as demand shifted from the West Africa/Europe and USG/Europe routes, where Suezmaxes are typically employed, to VLCCs. 130,000mt Nigeria/UKC trip remain at around WS110. The Middle East route closed flat with 140,000mt to the Mediterranean seeing levels unchanged as last at WS97.

Aframax:

With active regional cargo movements centered around the Indonesian region, the inflow of ballasters to the Middle East fell slightly. However, the Middle East region still saw an increase in rates for the MEG/SG route due to improved chartering demand. In the Mediterranean, the market saw a significant jump, with the rate for 80,000mt Cross-Med surged by 47 points to WS244.

Clean:

LR: LR1 market witnessed limited activity in the UKC region with ARA/WAFR falling slightly to WS155. LR2 market on the other hand saw a firmer position with activity in the MEG seeing a 19-point jump for 75,000mt Japan route to WS270.

MR: MR in the Atlantic experienced a mixed week. Rates on the UKC/USAC route declined w-o-w to WS180, despite an uptick in inquiries towards the end of the week. On the other side, rates for WAFR remain firm. MEG/EAFR rose to WS415 despite a tight position list.

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	1,234	1,195	1,156	+3.26%	+6.75%
BCTI	1,020	1,036	670	-1.54%	+52.24%

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
LRI	73,000	60	63	53	43	31
MR	51,000	51	53	45	38	27

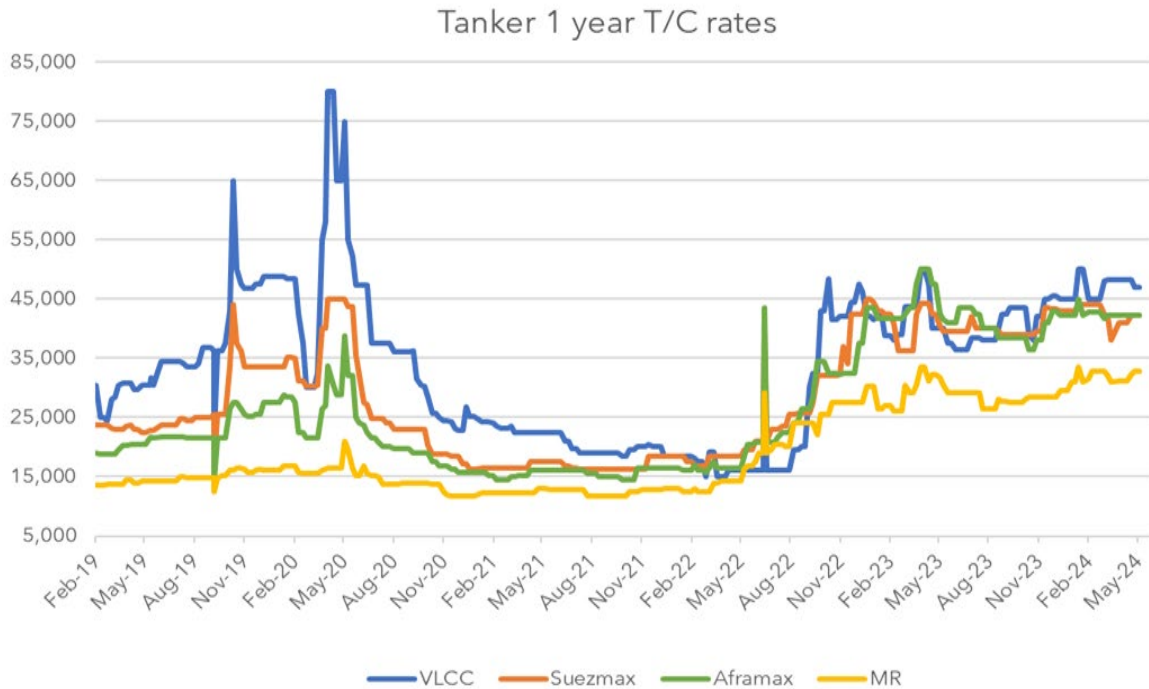
*(amount in USD million)

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	48,000	36,500	0	+31.51%
SUEZMAX	150,000	44,500	44,500	39,500	0	+12.66%
AFRAMAX	110,000	45,000	42,500	41,000	+5.88%	+9.76%
LRI	74,000	37,500	37,500	35,500	0	+5.63%
MR	47,000	30,750	30,750	26,000	0	+18.27%

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
MARJAN	VLCC	302,977	2002	S. KOREA	33.5	UAE BASED BUYERS
SM WHITE WHALE 1 / SM WHITE WHALE 2 / SM VENUS 1 / SM VENUS 2	VLCC	300,759 ~ 299,696	2019 / 2020	S. KOREA	464.0 EN BLOC	BAHRI
SANMAR SANGEET	LR2	106,516	2004	JAPAN	26.0	UNDISCLOSED
DEE4 LARCH	MR	49,737	2016	VIETNAM	41.0	DANISH BUYERS



Containers

The global container industry is experiencing a remarkable comeback, with rates surging back towards record highs seen during the COVID-19 pandemic era. Drewry's composite World Container Index jumped 16% this week, driven by constrained supply due to rerouting through the Red Sea and strong demand across multiple regions, kickstarting peak season volumes earlier than usual.

Contributing factors include unseasonal demand increases from Asia due to potential restocking in Europe and pre-peak season bookings from North American importers, compounded by general rate increases from major liners and adverse weather conditions at Chinese ports.

Analysts anticipate liner companies will report robust second-quarter profits, potentially surpassing the healthy figures of the first quarter. Forecasts suggest liners collectively achieved a net income of US\$5.4 billion in Q1, a significant rebound from losses in the previous quarter.

Containers S&P Report

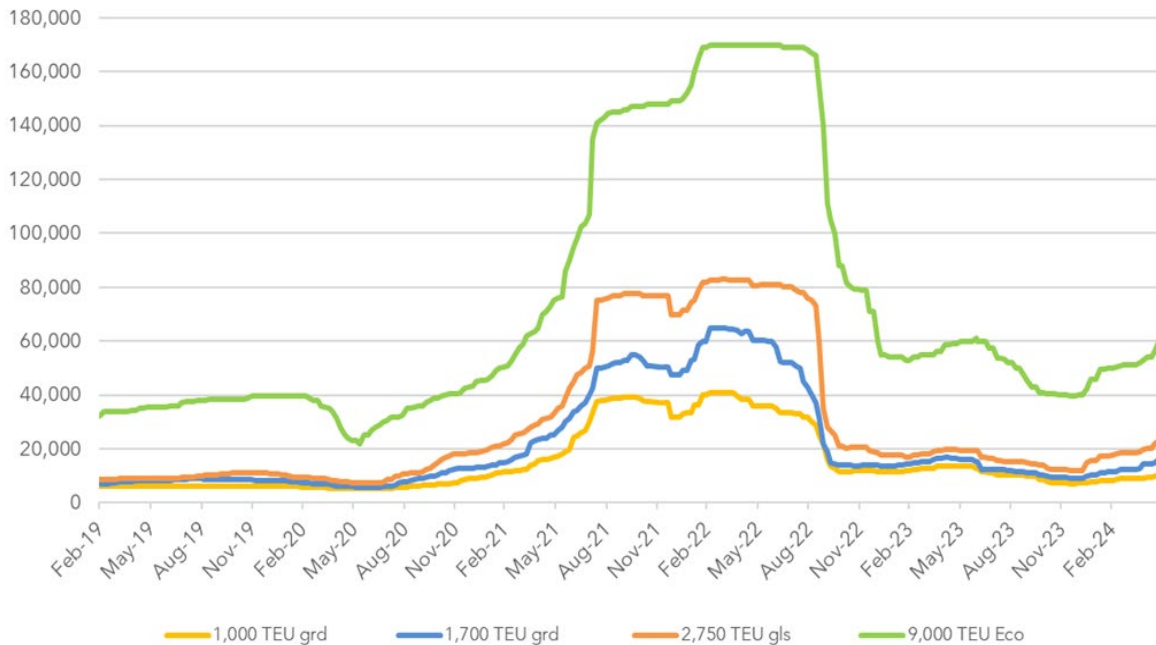
VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
NORTHERN GUILD	PMAX	4,294	2009	S. KOREA	26.0	CMA CGM
NORDOCELOT	FEEDER	1,756	2014	CHINA	15.8	GERMAN BUYERS
JOSITA B	FEEDER	1,730	2014	CHINA	16.2	REEDEREI NORD
DA BAO	FEEDER	1,708	2008	JAPAN	10.2	EUROPEAN BUYERS
REN JIAN 5	FEEDER	1,510	1997	JAPAN	4.8	CHINESE BUYERS

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	73	56	29	26

*(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)	540 ~ 550	520 ~ 530	530 ~ 540	550 ~ 560	STABLE / 
CHATTOGRAM, BANGLADESH	520 ~ 530	510 ~ 520	490 ~ 500	530 ~ 540	STABLE / 
GADDANI, PAKISTAN	520 ~ 530	510 ~ 520	500 ~ 510	530 ~ 540	STABLE / 
TURKEY <i>*For Non-EU ships. For E.U. Ship, the prices are about USD 20-30/ton less</i>	360 ~ 370	330 ~ 340	340 ~ 350	380 ~ 390	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

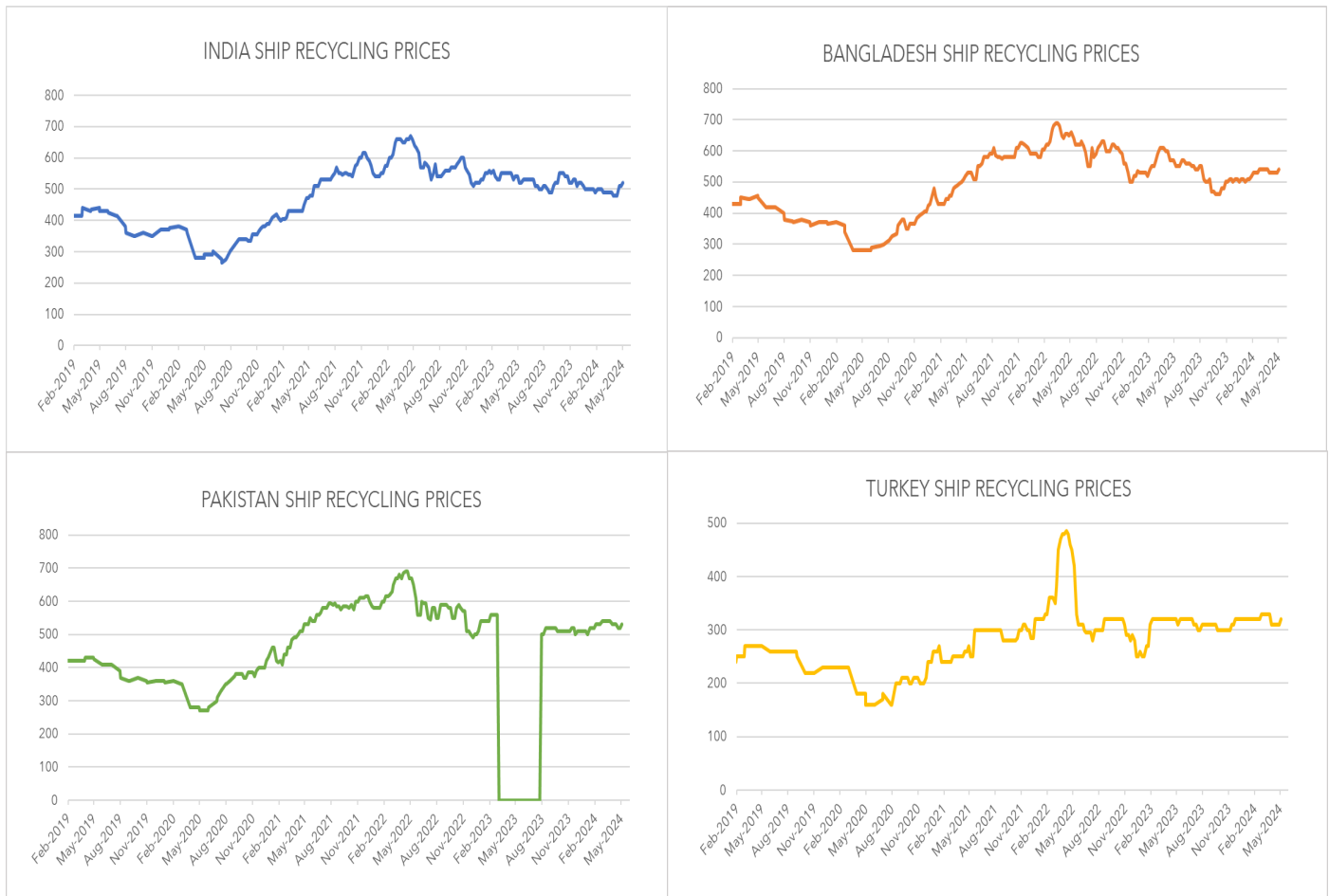
(Week 21)

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

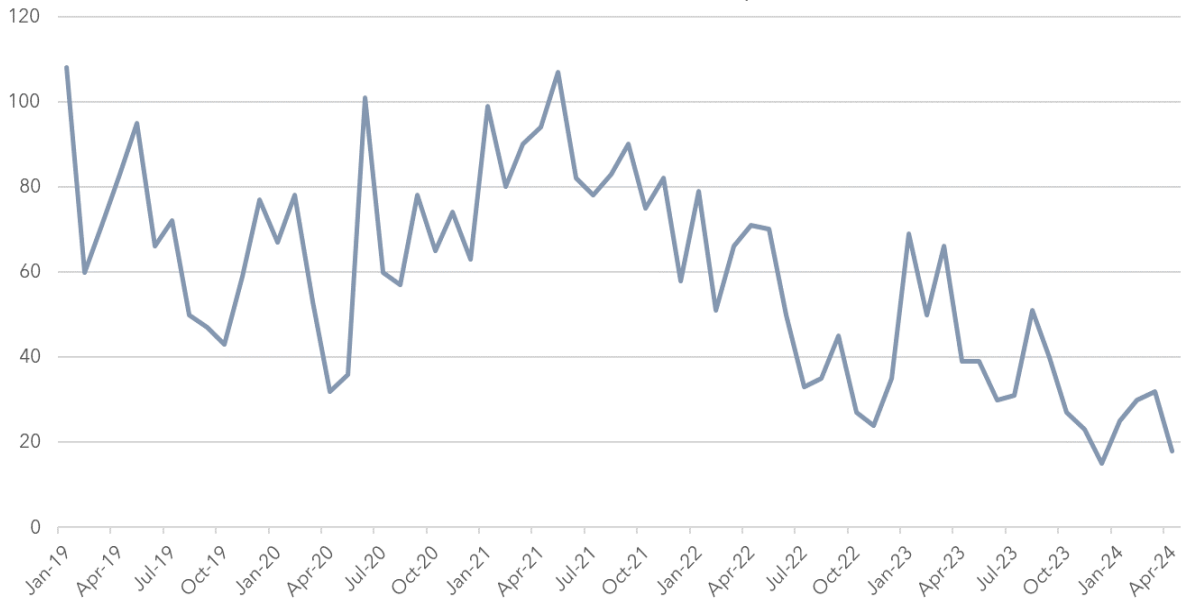
Ships Sold for Recycling

VESSEL NAME	LDT	YEAR / BUILT	TYPE	PRICE (USD/LDT LT)	COMMENTS
SCHWEIZ STREAM	9,238	1992 / DENMARK	REEFER	605	DELIVERED ALANG FOR HKC RECYCLING WITH SUBSTANTIAL ALUMINIUM CONTENT
SURYA AKI	8,168	1996 / JAPAN	LNGC	662	AS IS BATAM, INDONESIA, FOR HKC RECYCLING WITH SUBSTANTIAL STAINLESS-STEEL CONTENT

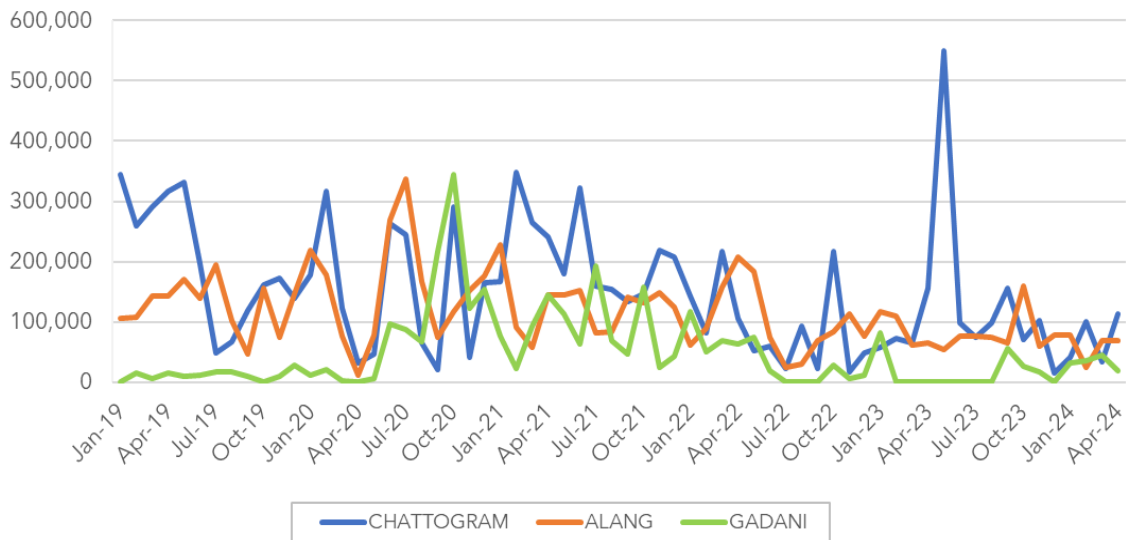
Recycling Ships Price Trend



Total number of Vessel sold per month



Sub-continent total Light Displacement Tonnage in metric tons



Insight

Alang, India

This week, the market in Alang remained largely stable, with only minor dips in local ship scrap prices. Recyclers offered robust numbers in ship-starved markets, and overall market sentiment was bullish.

A notable sale this week was that of a special type reefer called "SCHWEIZ STREAM", built in 1992 in Denmark, which included a significant quantity of aluminum grating valued at USD 60-70 per ton. This reefer was sold at a price of USD 605 per ton for HKC recycling.

Market experts suggest that the markets may have reached their peak at current levels, given the global dip in scrap prices and staggered domestic demand. Imported alternatives are being offered at much lower prices, contributing to this outlook.

Looking ahead, prices are expected to remain stable in the medium term, as the majority of the yards aim to build up their inventories.

Anchorage & Beaching Position (May 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
FROST OLYMPUS	REEFER	2,410	18.05.2024	AWAITING
HIRONIN	FISHING	3,994	19.05.2024	23.05.2024
OCMIS GAR	GEN. CARGO	2,477	17.05.2024	24.05.2024
NEW COURAGE	GEN. CARGO	4,426	17.05.2024	22.05.2024
FESCO TRADER	CONTAINER	5,114	09.05.2024	10.05.2024
TAHARA	RIG	9,445	07.05.2024	10.05.2024
HANA	CHEM TANKER	1,260	19.05.2024	21.05.2024
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 witnessed a slowdown in the recycling markets as Chittagong braces for an impending cyclone this weekend, coupled with anticipation of the upcoming budget in early June.

Overall, the prices have remained stable so far, but going forward, the global corrections in melting scrap prices are expected to exert pressure on ship pricing. For the Bangladeshi recyclers, inventories have not been a major cause of concern compared to their counterparts in India and Pakistan.

The standout transaction reported this week for Chattogram involved MOL's LNG carrier, "Suriya Ika," built in 1996 in Japan. Weighing 8,168 tons and containing a substantial amount of stainless steel, this vessel is notably valuable for Hong Kong Convention (HKC) recycling. This marks the second LNG carrier sold this year.

Anchorage & Beaching Position (May 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
HEUNG-A TOKYO	CONTAINER	2,446.99	22.05.2024	AWAITING
ATAR	GC	9,576.20	20.05.2024	AWAITING
NAGA 2	CONTAINER	2,453.19	20.05.2024	AWAITING
DONG FANG YONG SHI 2	AHTS	2,254	18.05.2024	AWAITING
SPAN 33	GC	1,826	17.05.2024	AWAITING
HAN JI 2	AHTS	2,213	18.05.2024	AWAITING
GAKU	PCC	7,795	16.05.2024	AWAITING
BAO DI LONG	MPP	3,133	14.05.2024	22.05.2024
XIN LV BAO SHI	BULKER	7,785	14.05.2024	21.05.2024
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

Another subdued week in the Turkish recycling market with lack of tonnage heading their way.

In the domestic market, Turkish long steel producers have further decreased their rebar and wire rod prices this week due to sluggish sales. With sales volumes barely enabling 50% capacity utilization, mills have been forced to offer discounts, with rebar prices reaching as low as US\$570/t fob. Some have even considered production halts or reductions during the upcoming Eid Haji holiday.

While limited, domestic demand for rebar is livelier in the southern regions, where reconstruction efforts are ongoing, and supply variety is limited. Rebar prices stood at US\$585-605/t ex-works on Thursday while Turkey's Central Bank kept loan rates unchanged, in line with market expectations.

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	599	525	729
HONG KONG	623	529	735
FUJAIRAH	605	515	862
ROTTERDAM	564	472	743
HOUSTON	588	490	758

EXCHANGE RATES			
CURRENCY	MAY 24	MAY 17	W-O-W % CHANGE
USD / CNY (CHINA)	7.24	7.22	-0.28%
USD / BDT (BANGLADESH)	117.28	117.18	-0.09%
USD / INR (INDIA)	83.07	83.27	+0.24%
USD / PKR (PAKISTAN)	278.55	278.40	-0.05%
USD / TRY (TURKEY)	32.22	32.20	-0.06%

Sub-Continent and Turkey ferrous scrap markets insight

The Sub-Continent and Turkey ferrous scrap market remained mostly stable compared to the previous week. Indian buyers are adopting a cautious approach, expecting prices to drop due to mismatched bids and offers. Pakistani buyers are staying out of the market, dealing with a weak domestic steel market and payment delays. In Bangladesh, scrap imports have slowed because of cash flow issues and a sluggish local steel market.

Prices for shredded scrap stayed the same in India, Pakistan, and Bangladesh. Bulk HMS (80:20) offers from the US to Turkey also remained stable.

Indian buyers are waiting for offers to drop due to bid-offer disparities. Shredded scrap offers from the US and Europe are assessed at US\$415-420 per ton CFR Nhava Sheva, with some traders offering around \$425 per ton CFR. Buyers, however, are looking for US\$410-415 per ton CFR. Offers for HMS (80:20) from West Africa and Europe are at US\$405-410 per ton CFR, but buyers want US\$395-400 per ton CFR.

A trader commented, "There are more inquiries but at lower prices. Buyers from mid-June to August are waiting due to the monsoon season. Selling below \$420 per ton isn't viable for us. We're waiting for suppliers to lower their quotes by at least \$6-8 per ton to cover costs."

Additionally, a bulk scrap vessel from Singapore arrived at Chennai port, carrying shredded and busheling mix scrap, with an average price of US\$418-422 per ton CFR.

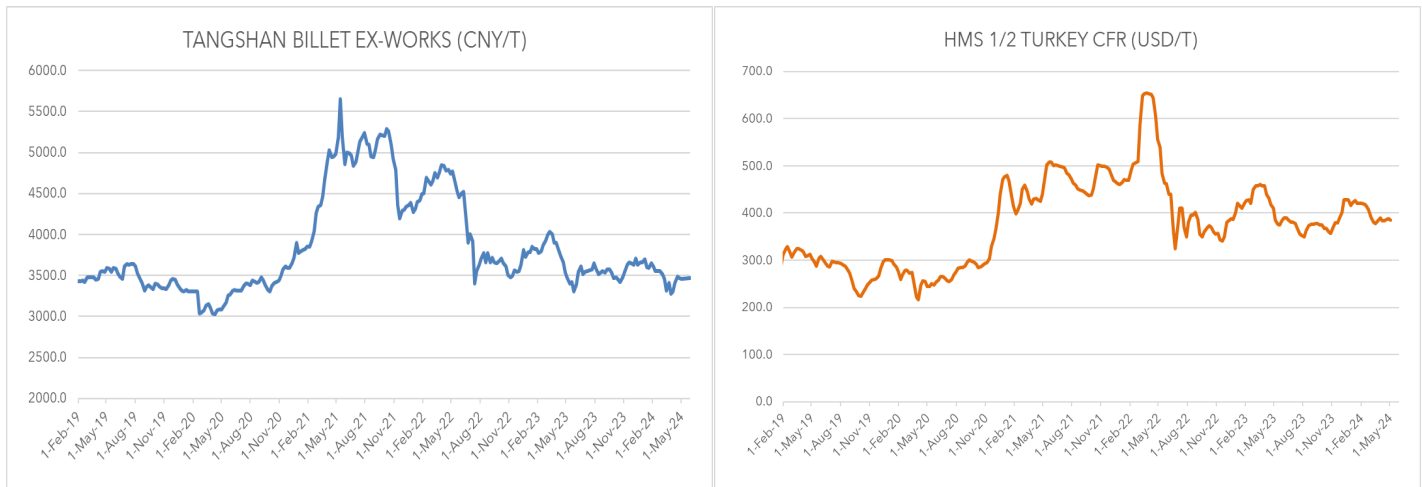
Pakistani buyers are staying out of the market due to a weak domestic steel market and payment delays. Shredded scrap offers from the UK/Europe are assessed at US\$415-418 per ton CFR Qasim.

A trader said, "Suppliers are quiet, with the latest prices ranging from US\$415-418 per ton. The booking environment is fragile, and quotes from the UAE are scarce due to limited response from mills. We're expecting a slow week, with the bid-offer gap likely widening until prices stabilise."

Bangladeshi buyers have slowed their scrap bookings because of cash flow issues and a sluggish domestic steel market. Shredded scrap offers from the UK/Europe are at \$418-420 per ton CFR Chattogram, while HMS (80:20) is at \$405-408 per ton CFR.

Turkish imported ferrous scrap prices remained largely stable in recent deals.

HMS 1/2 & Tangshan Billet



Commodities

Iron ore futures dipped as traders assessed the recently announced support measures for the property sector. While these measures are expected to boost sentiment, their actual impact on iron ore and steel demand may be limited. Although the measures should aid a rebound in construction activity from current lows, they are unlikely to spur new projects, which are the primary drivers of steel and iron ore demand. Additionally, converting unsold inventories into social housing might undermine efforts to develop new affordable housing projects. Consequently, we forecast a 4% decline in the property sector's steel consumption to 270 million tonnes in 2024.

Copper prices stabilised following a sharp drop earlier this week, driven by concerns that market expectations had outpaced fundamentals. Chinese fabricators are projected to reduce factory run rates to 66% of capacity this month, the lowest for the season since 2017, according to a Shanghai Metals Markets survey. More than 60% of copper rod plants have also scaled back output.

This demand weakness is reflected in inventories, with stockpiles at warehouses monitored by the Shanghai Futures Exchange reaching record levels for this time of year.

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.	475.95	-3.30	-0.69%	Jul 2024
3Mo Copper (L.M.E.)	USD / MT	10,417.50	-1.50	-0.01%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,621.50	-15.00	-0.57%	N/A
3Mo Zinc (L.M.E.)	USD / MT	3,062.50	0.00	0.00%	N/A
3Mo Tin (L.M.E.)	USD / MT	33,451.00	-59.00	-0.18%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	77.72	+0.85	+1.11%	Jul 2024
Brent Crude (ICE.)	USD / bbl.	82.10	+0.74	+0.91%	Jul 2024
Crude Oil (Tokyo)	J.P.Y. / kl	82,600.00	-70.00	-0.08%	May 2024
Natural Gas (Nymex)	USD / MMBtu	2.53	-0.12	-4.67%	Jun 2024

Note: all rates as at C.O.B. London time May 24, 2024



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