WEEKLY REPORT

WEEK 25 – June 22, 2024

The Chinese property market is facing a deepening crisis, as evidenced by recent downgrades from global credit ratings firms. S&P Global Ratings and Fitch Ratings have both significantly lowered their forecasts for China's residential sales, projecting a 15% to 20% drop this year. This revised outlook places sales at less than half their 2021 peak, indicating a severe contraction in the sector.

The pessimistic projections stem from a larger-than-anticipated decline in home prices, which is deterring potential buyers. In May, new home values experienced their most substantial fall in nearly a decade, while used-home prices saw their sharpest decline in at least 13 years.

This trend is particularly concerning given that real estate comprises about 78% of household wealth in China, double the rate in the United States.

Despite recent government efforts to stimulate the property market, including relaxed mortgage rules and encouragement for local governments to purchase unsold homes, credit rating agencies remain sceptical about the effectiveness of these measures. Major cities like Shanghai, Shenzhen, and Guangzhou have implemented significant easing policies for homebuyers, but these actions have yet to reverse the market's downward trajectory.

The ongoing property slump continues to be a drag on China's economy, raising concerns about the country's broader economic stability and growth prospects. As the situation evolves, it remains to be seen whether additional government interventions will be able to stabilize the market and restore buyer confidence.

Dry Bulk

The Baltic Exchange's index broke its five-session winning streak midweek, weighed down by falling Panamax rates. The overall index slipped 18 points to 1,943.

BCI lost 39 points to 2,927, with average daily earnings down US$318 at US$24,278 a day. Iron ore futures pared early gains amid discussions over potential steel production cuts in China, weighing on prices of the key steelmaking ingredient.

BPI fell 35 points to 1,919, with average daily earnings losing US$314 to US$17,271.Among smaller vessels, BSI rose 12 points to 1,374, its highest level since May 21.

Overall, market participants were initially disappointed by the limited impact of China's real estate stimulus measures, leading to a downward trend earlier in the week. However, improved steel production margins in China continued to support iron ore shipments, driving a rebound in the latter half of the week.

Considering the seasonal lull in steel demand and the current extreme weather conditions, the sustainability of iron ore inflows is somewhat limited. Dry bulk market remains uncertain, without a clear upward driver.

Capesize:

Both basins experienced an uptick in cargo inflow, coupled with improved market sentiment following the rise in the FFA the previous day, leading to gains across all routes. The Pacific experienced a dual boost in demand, with a steady stream of iron ore shipments complemented by an uptick in coal exports from E. Australia. This combination saw a climb in regional freight rates. Pacific r/v rose to US$27,650's a day. Mirroring this trend, the Atlantic saw its own surge in activity. The market gained positive momentum from an influx of Brazilian iron ore. Rates in this region surpassed recent levels, signaling a robust market. Brazil r/v closed at US$26,850's a day.

Panamax/Kamsarmax:

The Atlantic continues to face downward pressure on rates despite a relatively tight vessel supply. This contradictory situation stems from a persistently weak influx of cargo, undermining potential market strength. Meanwhile, the Pacific region echoes this lackluster performance, with cargo volumes failing to rebound to satisfactory levels. In response to these challenging conditions, shipowners across both basins are reluctantly adjusting their rate expectations, reflecting the reality of the current market.T/A remains unchanged at around US$ 18,700 a day, while Pacific r/v slipped slightly to US$ 15,650.

Supramax/Ultramax:

The Atlantic continues to experience downward pressure on freight rates, primarily driven by a decline in grain shipment from the USG. This softening in a key segment has contributed to the overall softer market conditions in the Atlantic. T/A fell slightly to US$18,700's a day. In contrast, the Pacific painted a more resilient picture. The region is finding support from robust vessel demand, with NOPAC and Indonesian cargoes taking the lead. Pacific r/v firmed to US$14,500's a day.

Handysize:

Handy market witness the same imbalance in rates like the bigger counterparts from both regions. Pacific saw a decline with over tonnage supply as inter region close around US$10,850's a day. In the Atlantic, demand remain subdued with not much changes to rock the boat, levels in the region remain at US$10,600's a day.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,997	1,948	1,216	+2.52%	+64.23%
BCI	3,142	2,957	1,991	+6.26%	+57.81%
BPI	1,827	1,950	1,140	-6.31%	+60.26%
BSI	1,398	1,335	751	+4.72%	+86.15%
BHSI	753	711	456	+5.91%	+65.13%

Dry Bulk Values

(Weekly)

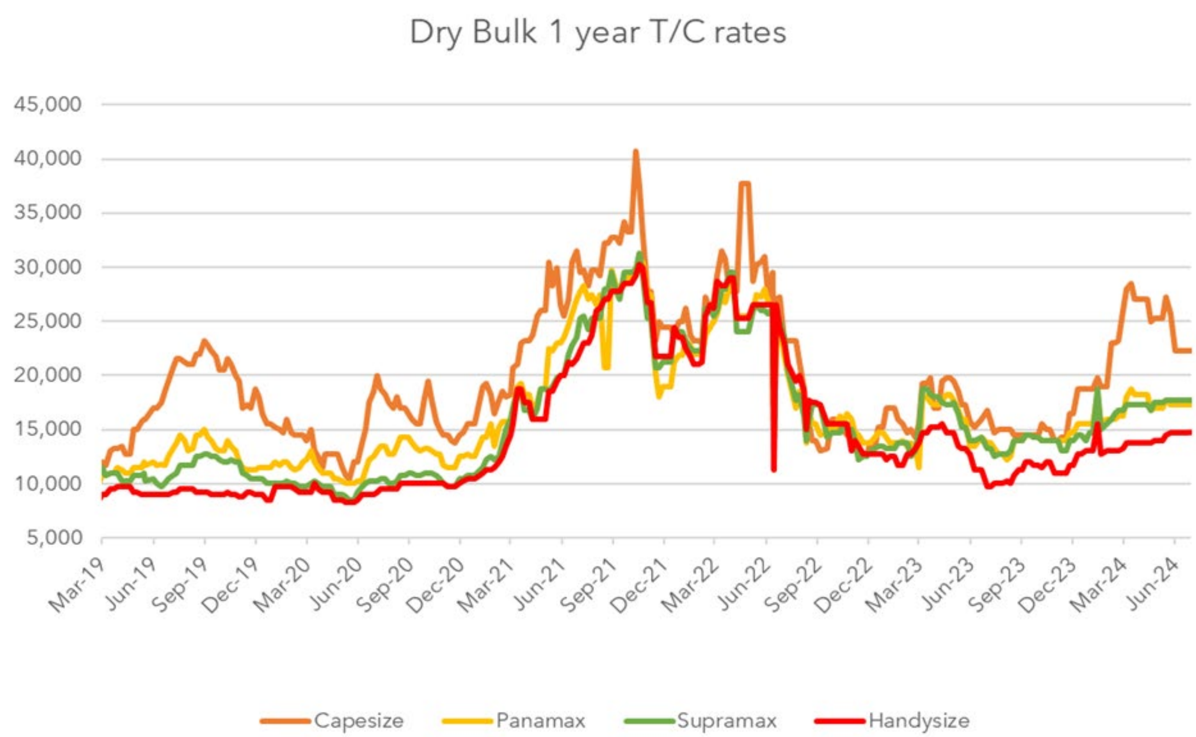
TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	76	77	57	41	27
KAMSARMAX	82,000	38	43	37	29	19
SUPRAMAX	56,000	34	42	35	28	16
HANDY	38,000	31	35	28	21	12
*(amount in USD million)						

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
CAPESIZE	180,000	22,500	23,500	16,750	-4.26%	+34.33%
PANAMAX	75,000	15,550	15,750	12,750	-1.27%	+21.96%
SUPRAMAX	58,000	15,500	15,500	11,250	0	+37.78%
HANDYSIZE	38,000	14,500	14,250	9,750	+1.75%	+48.72%

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
HERMANN OLDENDORFF	VLOC	209,243	2016	CHINA	55.0	HMM
CLASSIC ARO	VLOC	206,331	2008	JAPAN	26.75	CHINESE BUYERS
CORAL JASPER	PMAX	78,087	2012	JAPAN	22.0	UNDISCLOSED
WESTERN OSLO	UMAX	63,654	2019	CHINA	31.5	UNDISCLOSED
VELVET	UMAX	62,625	2028	JAPAN	36.0	CHINESE BUYERS
BEATE OLDENDORFF	UMAX	62,623	2020	JAPAN	38.3	EUROPEAN BUYERS
AUGUST OLDENDORFF / ALWINE OLDENDORFF	UMAX	61,090	2015/ 2014	JAPAN	61.0 ENBLOC	CHINESE BUYERS
SIDER EVA MARIA	HANDY	39,182	2014	CHINA	21.0	ALPHA OMEGA
WESTERN PANAMA	HANDY	39,000	2015	CHINA	18.6	PRECIOUS SHIPPING
NORDIC NANJING	HANDY	34,620	2013	CHINA	15.6	TURKISH BUYERS



Tankers

The global oil market's recent pessimism, driven by concerns over weakening demand growth, began to dissipate this week, giving way to cautious optimism. This shift in sentiment was largely triggered by OPEC reiterating its stance from the June 2 meeting, clarifying that any rollback of production cuts would be contingent on favorable market conditions.

Initially, traders misinterpreted OPEC's announcement, assuming an immediate reversal of cuts, which led to a price slump. OPEC's subsequent PR campaign reassured the market that production changes would be market-dependent, alleviating fears of an impending production battle.

Market volatility remains high, with prices susceptible to swings based on weekly inventory reports and geopolitical events. The Biden administration is considering additional Strategic Petroleum Reserve releases to manage gas prices ahead of the November elections, adding another layer of complexity to the market dynamics.

In the tanker segment, VLCC is experiencing renewed downward pressure as we approach the end of the first half of the year. In the WAFR, rates have significantly declined due to reduced demand and increased Eastern ballasters for late June's cargoes. The benchmark MEG/China route has also seen a dramatic drop in freight spot rates, with a 40% decrease compared to last year and a 30% monthly fall as of mid-June.

Overall, market outlook remains subdued with no imminent signs of a turnaround.

VLCC:

Chartering activity, which slowed previous week, rebounded end of last week, as charterer focus on end-of-June cargoes. However, ample supply relative to demand prevented rates from climbing higher, leading to a fall at this week’s closing. 270,000mt MEG/China fell to WS49. MEG continues to experience weak levels, leading shipowners to place high expectations on the volume of early July cargoes.

Suezmax:

The two-week surge in rates from the USG has led to a dispersal of available vessels across major loading areas such as WAFR and MEG. This has resulted in a slightly bullish trend for WAFR to Europe routes. 130,000mt Nigeria/UKC remain unchanged at WS112 while 135,000mt CPC/Med close at WS122 at end of week.

Aframax:

MEG experienced a 4% decline in rates as weakness in larger sizes influenced current levels. Additionally, the influx of ballast Aframax from SE Asian markets contributed to the softening trend. Across the pond, 70,000mt EC Mexico/USG also fell to WS235. Looking ahead, outlook remains bearish, but market is expected to fall, primarily due to continuing weak demand.

Clean:

LR: LR2 tankers experienced a turnaround in fortunes last week. The market began with a downward trend but rebounded at the start of the week, reaching WS180. This recovery was driven by an influx of late June cargoes heading west. At closing, the TC1 rate for MEG/Japan climbed to WS200.

MR: MR segments witness a decline this week. The previously strong rates on Far East to Singapore led to some cargoes conversion for LR. In the UKC, TC2 fell this week to WS154. The slowdown in demand towards the end of the month added to the sombre outlook.

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	1,205	1,240	1,103	-2.82%	+9.25%
BCTI	795	828	602	-3.99%	+32.06%

Tankers Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	130	145	110	84	56
SUEZMAX	160,000	89	99	83	68	49
AFRAMAX	115,000	76	85	72	58	43
LR1	73,000	59	62	51	42	30
MR	51,000	51	54	46	34	26

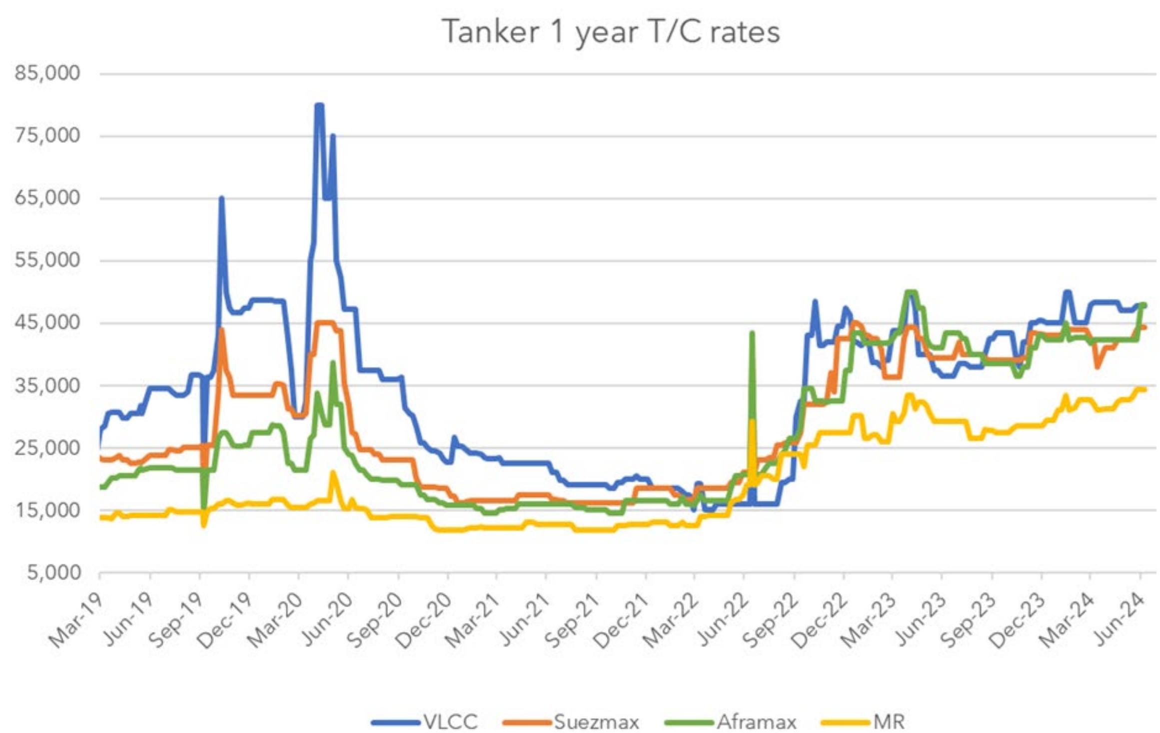
**(amount in USD million)*

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	47,500	47,500	38,500	0	+23.38%
SUEZMAX	150,000	43,500	43,500	42,000	0	+3.57%
AFRAMAX	110,000	47,750	47,750	43,500	0	+9.77%
LR1	74,000	37,000	37,000	29,250	0	+26.50%
MR	47,000	30,250	30,250	26,000	0	+16.35%

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
ALPINE CONFIDENCE	LR2	107,600	2010	JAPAN	43.8	CHINESE BUYERS
AVRA PATROS	LR1	74,998	2008	S. KOREA	29.75	GREEK BUYERS
CALANDRIA	MR	45,950	2012	JAPAN	32.5	UNDISCLOSED
SONGA CHALLENGE	PROD/ CHEM	19,993	2009	JAPAN	23.0 (SS)	HEUNG-A SHIPPING



Containers

Container freight rates continued their upward trend this week, driven by ongoing disruptions and sustained cargo volumes. The SCFI rose by 3% w-o-w to 3,476 points, now standing at almost 3.5 times its early December level. The Shanghai to US West Coast route also saw a 4% increase, reaching US$7,173 per FEU.

The global container shipping industry is experiencing a transformation reminiscent of the pandemic era. Regional lines and new players are entering major east-west trade routes, capitalising on strong demand and high spot rates. South Korea's PanStar, traditionally a ferry operator, is launching its first regular liner route between South Korea and Japan, with plans for future expansion.

Similarly, UK-based Ellerman City Liners has initiated services from China to Europe, while established regional players like Singapore's SeaLead Shipping and China's BAL Container Line are re-entering main trade lanes.

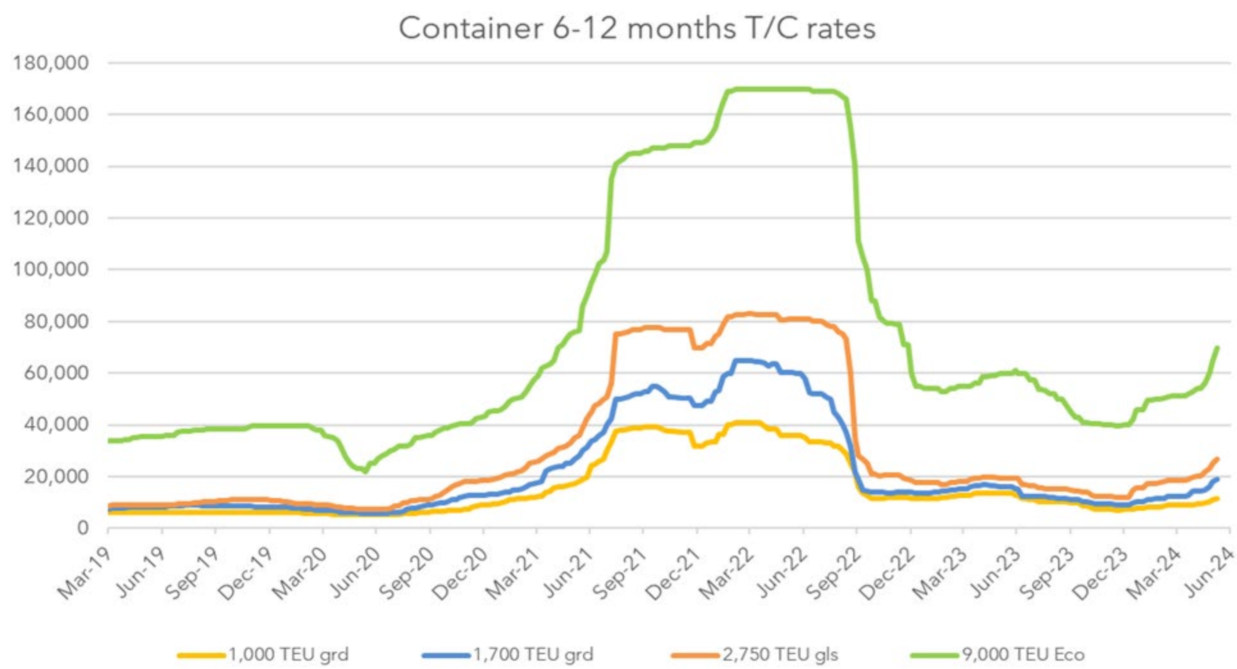
This shift towards East-West lanes is tightening capacity on regional and lower-volume routes, potentially driving up rates in these sectors. Many industry players predict that these conditions, particularly the Red Sea crisis, may persist into the first half of next year.

Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
NORTHERN DISCOVERY	PMAX	3,534	2008	CHINA	19.7	UNDISCLOSED
WAN HAI 303	SUB PMAX	2,496	2002	JAPAN	13.0	UNDISCLOSED

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	13
2,700 – 2,900	Gearless	41	41	32	25	19
5,100	Gearless	79	76	60	31	28
*(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	540 ~ 550	WEAK /
CHATTOGRAM, BANGLADESH	520 ~530	510 ~ 520	490~ 500	530 ~ 540	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 USD 20-30/ton less*	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

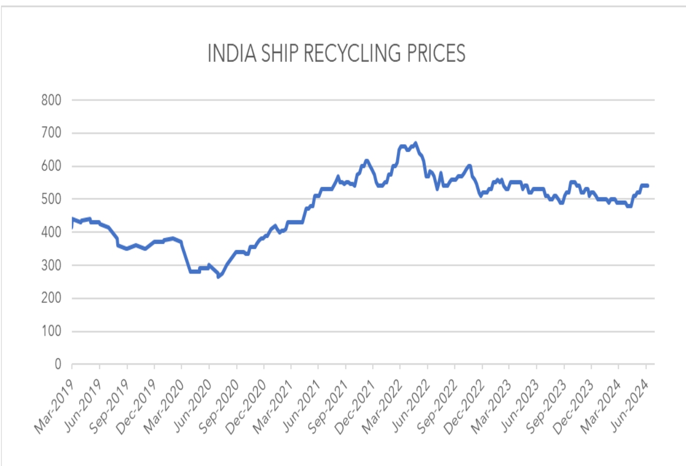
(Week 25)

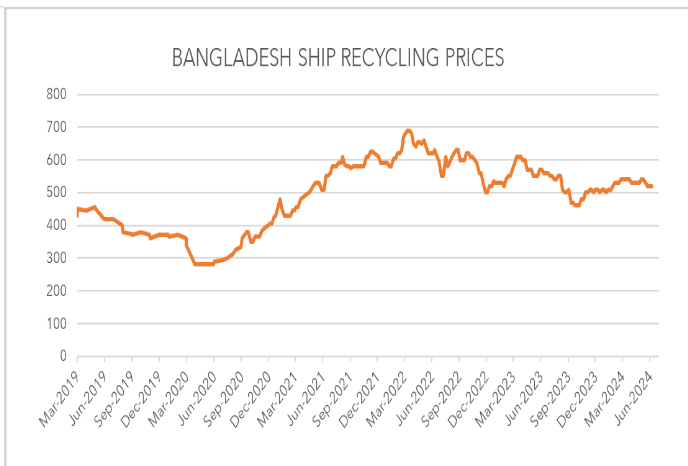
DESTINATION	2019	2020	2021	2022	2023
ALANG, INDIA	425	270	545	570	530
CHATTOGRAM, BANGLADESH	420	300	570	590	565
GADDANI, PAKISTAN	410	305	575	580	530
ALIAGA, TURKEY	270	210	295	300	325

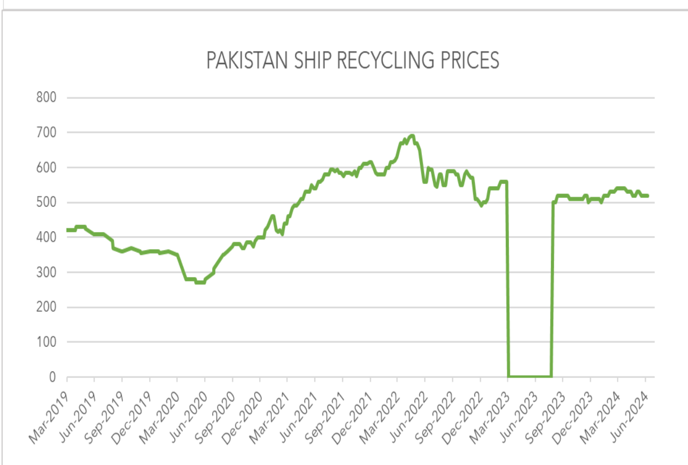
Ships Sold for Recycling

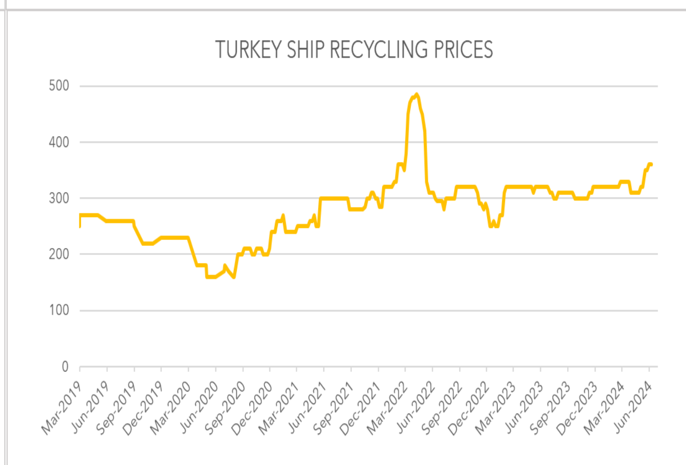
VESSEL NAME	LDT	YEAR / BUILT	TYPE	PRICE (USD/LDT LT)	COMMENTS
MOSHTARAKA 2	14,398	1995 / JAPAN	BULKER	540	DELIVERED SUB-CONTINENT (WITH 450MT ROB INCLUDED IN SALE)
TROPICAL SKY	5,175	1986 / S. KOREA	REEFER	550	DELIVERED ALANG
IDM DOODLE	4,303	1995 / JAPAN	GENERAL CARGO	550	DELIVERED ALANG / GOOD MACHINERY
CAPTAIN GHAITH	6,956	1984 / JAPAN	BULKER	490	AS IS SOHAR, OMAN

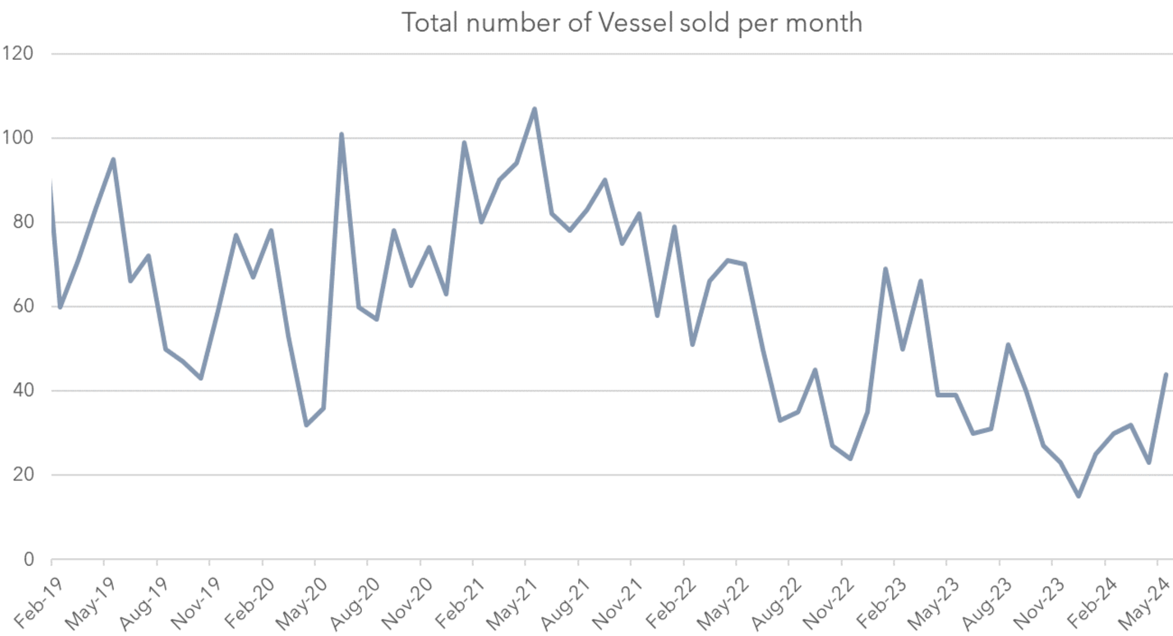
Recycling Ships Price Trend










Total number of Vessel sold per month
0
20
40
60
80
100
120
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
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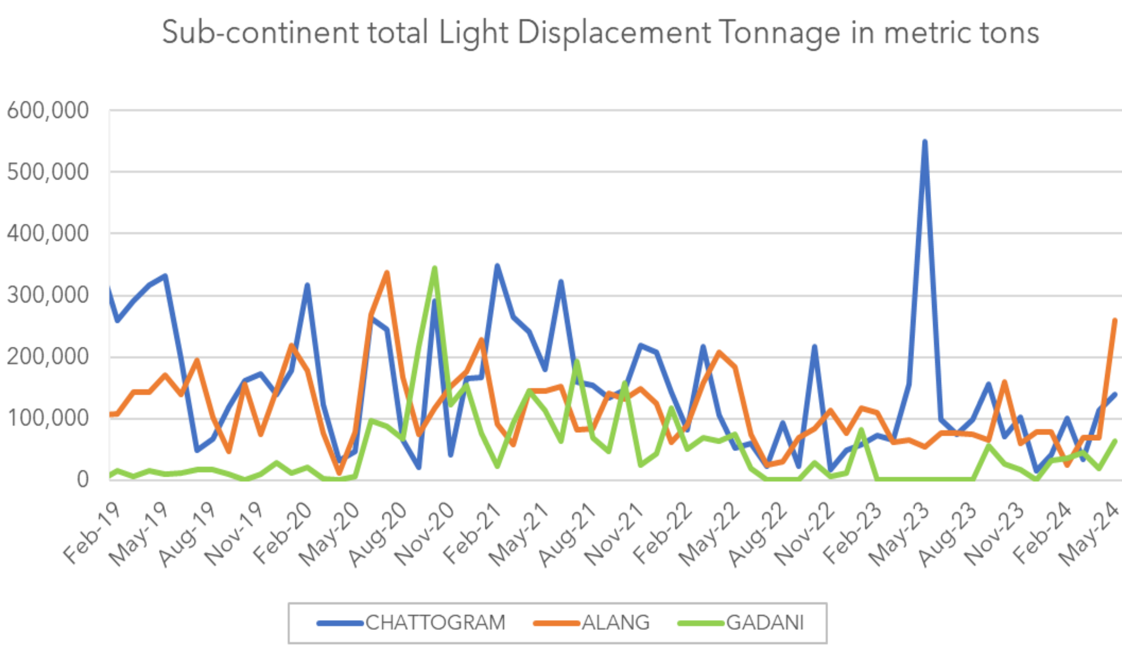
Nov-23
Feb-24
May-24


Sub-continent total Light Displacement Tonnage in metric tons
0
100,000
200,000
300,000
400,000
500,000
600,000
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
May-24
CHATTOGRAM
ALANG
GADANI

Insight

This week, the markets in Bangladesh and Pakistan remained largely inactive due to the Eid holidays. Meanwhile, India experienced an exceptionally poor week, with domestic prices taking a significant plunge. The overall market situation remains stagnant, with future trends expected to become clearer once Pakistan and Bangladesh resume trading next week.

In China, the Transportation Department is developing new policies and is expected to announce a new regulation on vessel scrapping in the coming week. This anticipated regulation could have significant implications for the scrap industry, influencing supply and demand dynamics as, lately, Chinese domestic ships have been the key source of ship supply for the Bangladeshi recyclers.

On the end-of-life ship supply front, the market activity has gradually picked up, with more owners screening the markets and engaging in some sales. However, overall supply tightness continues to dominate the industry, limiting the availability of ships for scrapping.

This week, the World Steel Association reported that steel production across 71 countries reached 165.1 million tons in May 2024, marking a 1.5% increase compared to May 2023. This growth reflects a steady recovery in the steel industry, and the expectation is that this will continue as the world economy recovers post-pandemic.

Alang, India

This week has been extremely volatile for Alang's domestic ship scrap markets, with significant drops in domestic ship scrap prices erasing all gains from the past month. The price of domestic melting scrap has decreased by approximately 4%, while ship plate prices have fallen by around 1.5% month-on-month. The positive sentiment that had been building over the past month has reversed, leaving recyclers in a pricing dilemma once again.

However, the majority view this downturn as a technical correction, which was anticipated given the rapid market movement, suggesting that a correction was inevitable.

Overall, the long-term view is positive for the ship recycling markets in India as investments in India's key infrastructure sectors, including roads, real estate, and renewable energy, are projected to rise by 38% in FY25 and FY26 compared to the previous two years according to CRISIL Ratings. This increase, expected to reach nearly

INR 15 lakh crore (US$180 billion), is driven by supportive government policies and improved credit profiles.

The steel industry in India is currently experiencing significant changes driven by increased domestic demand and governmental policies aimed at reducing greenhouse gas emissions. A key strategy involves utilising scrap steel, which is expected to lead to a rise in imports of both coking coal and ferrous scrap/ships scrap. Notably, imports of ferrous scrap have been on a sharp upward trajectory since 2021.

To meet the growing steel demand and align with environmental policies, there is also a need to expand the infrastructure for steel production. This includes building more electric arc furnaces (EAFs), which are more environmentally friendly compared to traditional blast furnaces.

The only notable sale reported this week was the "Tropical Sky," a reefer vessel built by Cool Carrier in 1986 in Korea, weighing 5,175 tons. This ship fetched a significantly higher gross price of USD 550 per ton due to the owners proposing deductions for insulation and wood grating amounting to about 189 tons. A sister ship of this reefer had been sold previously, and rumours are that the recycler who handled the sister ship was fairly aggressive, recognising the vessel's inherent value.

Anchorage & Beaching Position (June 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
MSC GRACE	CONTAINER	7,555	20.06.2024	AWAITING
MSC TIA II	CONTIANER	10,611	15.06.2024	AWATIING
PROFESSOR B	GENERAL CARGO	5,121	14.06.2024	21.06.2024
VICTOR GARRILOV	FISHING	5,962	13.06.2024	21.06.2024
IDM DOODLE	GENERAL CARGO	4,303	12.06.2024	20.06.2024
BALYUZEK	REEFER	2,360	07.06.2024	AWAITING
UNITED ID	BULKER	7,173	06.06.2024	11.06.2024
NEZHA	GENERAL CARGO	1,571	04.06.2024	11.06.2024
BORD	CONTAINER	5,723	03.06.2024	07.06.2024
STREAM	REEFER	9,148	01.06.2024	07.06.2024

Chattogram, Bangladesh

It was a quiet week in Bangladesh following the Eid holidays on Monday with a lack of activity across. Sentiments seem uncertain with many reporting a lack of tonnage these past few weeks. Certainly, the recent budget has played an impact on the outlook with worries over allocation of budget and possible spillover restrictions on issuances of LCs.

Meanwhile, on a positive note, this week, BSRM, Bangladesh's leading steel manufacturer, is set to launch a US$217 million plant in Chattogram's Mirsarai by mid-2024. The new facility will boost the company's annual production capacity by 800,000 tons, increasing its market share from 23% to 34%. This expansion, partly funded by a US$50 million JICA loan for green industrialisation, will create about 1,000 jobs and reduce dependency on steel wire imports.

The project showcases BSRM's commitment to environmental sustainability, featuring zero-emission technologies, water recycling systems, and plans for solar power integration. With this addition, BSRM's total production capacity will reach 2.4 million tons annually, solidifying its position in Bangladesh's growing steel industry.

This expansion aligns with Bangladesh's steel sector growth, which produces 7-7.5 million tons annually, serving both domestic and export markets.

Anchorage & Beaching Position (June 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
PINE EXPRESS	WOODCHIP	9,543	18.06.2024	AWAITING
DOOWOO	CONTAINER	3,744	18.06.2024	AWAITING
XIN HAO JIANG 206	BULKER	3,328	08.06.2024	15.06.2024
ZHONG HONG DA 1	CONTAINER	3,981	31.05.2024	12.06.2024
YUA	CONTAINER	4,476	07.06.2024	10.06.2024
HAI SHUN FENG 8	MPP	3,402	31.05.2024	09.06.2024
FERN	FSO	42,090	05.06.2024	07.06.2024
HONG YING	GEN.CARGO	1,567	24.05.2024	06.06.2024
GNS HOPE	BULKER	9,812	28.05.2024	05.06.2024
MASALA	CONTAINER	7,447	01.06.2024	05.06.2024
SPAN 30	GEN.CARGO	1,836	30.05.2024	05.06.2024
BAI FANG MING ZHU	CONTAINER	5,775	24.05.2024	04.06.2024
JI HAI ZHING SHAN	CONTAINER	2,175	28.05.2024	04.06.2024
MENT 1	CEMEMENT	2,234	24.05.2024	01.06.2024

Gadani, Pakistan

This week, the markets remained largely closed due to the Eid holidays, resulting in limited activity. Post-budget announcement sentiments have yet to show a clear direction, and there has been no significant change in ship prices. Overall demand for recycling ships remained steady, but in Pakistan, domestic demand for scrap was a major concern due to a reduced number of operating mills.

The coming week is expected to provide further insights as recyclers return from their Eid holidays. Market participants are keenly watching for any shifts in trends that might emerge once regular trading activities resume.

Anchorage & Beaching Position (June 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

Aliaga, Turkey

Turkey's scrap market has experienced a sluggish start following the extended holiday. Most steelmakers have prolonged their break for the entire week, conducting maintenance during this period. A divergence in price expectations has emerged between scrap suppliers and Turkish mills, with merchants aiming for higher values while mills anticipate softer prices.

Market participants are divided on the likelihood of price declines. Some expect mills to delay scrap purchases to pressure prices, while others believe US suppliers may be more susceptible to price decreases compared to their European counterparts. Despite these differing views, most market players anticipate prices for HMS 1&2 80:20 to remain within the recent range of US$375-390/t cfr Turkey.

In the ship recycling segment, it was another quiet week which has become a prominent trait in the Turkish markets. Levels were seen around US$360~70/LT with the Lira falling 21% to 32.84 a USD dollar at week's closing.

BEACHING TIDE DATES 2024

Chattogram, Bangladesh	:	22 ~25 June | 05 ~08 July
Alang, India	:	19 ~28 June | 02 ~ 11 July

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	HSFO (3.5%)	MGO (0.1%)
SINGAPORE	591	514	717
HONG KONG	613	557	717
FUJAIRAH	593	498	842
ROTTERDAM	541	475	729
HOUSTON	580	474	729

EXCHANGE RATES			
CURRENCY	JUNE 21	JUNE 14	W-O-W % CHANGE
USD / CNY (CHINA)	7.26	7.25	-0.14%
USD / BDT (BANGLADESH)	117.49	117.50	+0.01%
USD / INR (INDIA)	83.56	83.55	-0.01%
USD / PKR (PAKISTAN)	278.50	278.49	0
USD / TRY (TURKEY)	32.84	32.77	-0.21%

Sub-Continent and Turkey ferrous scrap markets insight

The Sub-Continent and Turkish ferrous scrap market displayed mixed trends this week. Indian demand declined due to sluggish finished steel sales and a shift towards cheaper raw materials. Pakistani buyers remained inactive post-Eid, further affected by new electricity charges. In Bangladesh, Eid holidays and LC opening issues dampened demand. Meanwhile, the Turkish market remained stable, with potential activity expected to pick up post-Eid. Shredded scrap offers remained unchanged in India but edged up by US$2/t in Pakistan and Bangladesh. US bulk HMS (80:20) offers remained steady day-on-day.

The **Indian** market for imported scrap has experienced a decline in demand, primarily due to weak finished steel sales, mismatched bids and offers, and a preference for more economical raw materials like sponge iron. US and UK/European shredded scrap offers were priced at US$414-417/t CFR Nhava Sheva, while HMS (80:20) offers ranged from US$390-395/t CFR from UK/Europe and West Africa. A notable transaction involved the booking of around 1,000 tonnes of shredded scrap from the US at approximately US$414/t CFR west coast India.

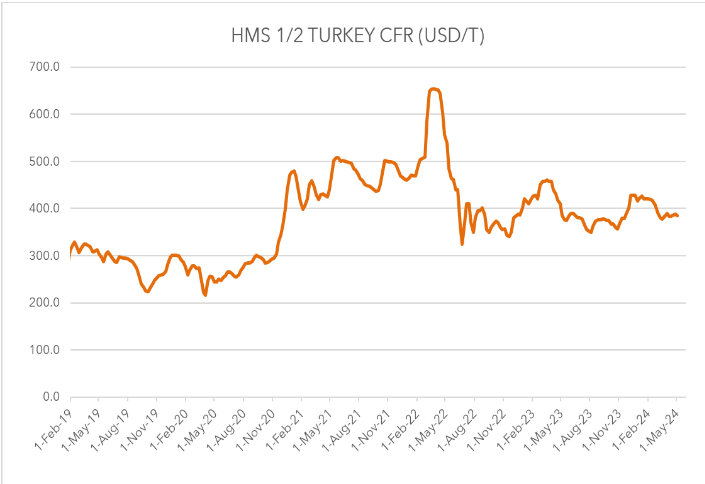
Pakistani buyers remained mostly inactive this week, influenced by the recent Eid celebrations and new electricity charges imposed by the National Electric Power

Regulatory Authority (NEPRA). Indicative offers for shredded scrap from the UK and Europe were assessed at US$420-425/t CFR Qasim. The newly imposed NEPRA fixed charges, ranging from PKR 200-1,000 per month for domestic consumers and PKR 1,500-2,000 per month for industrial consumers, have further dampened market sentiments.

In **Bangladesh**, demand for imported scrap was low, impacted by the Eid holidays and difficulties in opening Letters of Credit (LCs). Indicative offers for UK/Europe-origin shredded scrap were heard at US$423-430/t CFR Chattogram, while HMS (80:20) offers stood at US$400-405/t CFR. Market participants noted a lack of significant activity post-Eid, with inquiries present but at prices lower by US$5-8/t from current levels, compounded by challenges related to the weaker currency exchange.

The **Turkish** market for imported scrap remained stable, with potential movements anticipated post-Eid. Discussions and possible bookings for July shipments might resume, with regular scrap business expected to return by the end of June. The tight supply of scrap, driven by low collections, domestic demand, and Egyptian demand, continued to support prices. Despite increased freights pushing up CFR Turkiye levels, scrap price hikes were not supported by the rebar market, which remained stable at around $580/t FOB. Turkish mills are likely to resume bookings next week, anticipating a gradual return to regular market activity.

HMS 1/2 & Tangshan Billet



Commodities

Copper Surges on Rate Cut Prospects and Supply Concerns. Copper prices have continued their upward trajectory, buoyed by the prospect of interest rate cuts and ongoing supply-side issues. Negotiations between Chilean copper miner Antofagasta and Chinese smelters for significantly lower processing and refining fees for the second half of 2024 highlight the tightness in the copper concentrate market and overcapacity in China's smelting industry. Despite this, a sustained rally in copper prices may be challenging in the short term. Historically, declining real interest rates have spurred strong rallies in commodity prices, but the Federal Reserve's cautious stance amid persistent inflation could temper this effect until a rate-cutting cycle begins. Additionally, currency fluctuations may act as a headwind. Our cyclical growth and cross-asset volatility signals suggest a neutral economic environment, likely resulting in a steady but firm USD. Fundamentally, China's commodity demand remains uncertain due to ongoing structural issues, compounded by an evolving policy landscape focused on the energy transition. Consequently, any supply-driven price increases could be limited by the uncertain demand outlook.

Iron Ore Gains on Optimism in Chinese Steel Demand. Iron ore prices have risen on the back of anticipated recovery in Chinese steel demand. Last month, Beijing introduced a comprehensive real estate rescue package, with major cities like Shanghai, Shenzhen, and Guangzhou implementing significant easing measures for homebuyers. Crude steel production saw a 2.7% year-on-year increase in May, although it remains down 1.4% year-on-year for the January-May period. Reports of steel output restrictions have also provided support for both steel and iron ore prices.

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)	107	0	-6.95%	107	115
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	109	0	+6.86%	109	102

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	443.50	-8.80	-1.95%	Sep 2024
3Mo Copper (L.M.E.)	USD / MT	9,858.00	+72.00	+0.74%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,521.50	+22.50	+0.90%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,873.50	+4.50	+0.16%	N/A
3Mo Tin (L.M.E.)	USD / MT	33,086.00	+702.00	+2.17%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	81.45	+0.16	+0.20%	Aug 2024
Brent Crude (ICE.)	USD / bbl.	85.80	+0.09	+0.10%	Aug 2024
Crude Oil (Tokyo)	J.P.Y. / kl	82,150.00	+400.00	+0.49%	Jun 2024
Natural Gas (Nymex)	USD / MMBtu	2.72	-0.02	-0.62%	Jul 2024

Note: all rates as at C.O.B. London time June 21, 2024

Singapore | London |Dubai
Tel: +65 62277264 / 65 | **Fax:** +65 62277258 |**Email:** snp@starasiasg.com | **Web:** www.star-asia.com.sg
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