WEEKLY REPORT

WEEK 29 – July 20, 2024

This week the third Plenum meeting held in China finished with President Xi Jinping unveiled at the Third Plenum, provided little incentive for markets, who now await more detailed guidelines. The readout indicated that Beijing would continue pursuing "high-quality development" but did not hint at major stimulus to boost demand or address the property slump.

Some analysts had varied reactions, and the majority of them viewed the plenum as a non-event, predicting choppy markets due to trade war fears and a lack of fiscal stimulus. In a nutshell, there was a lack of any major policy shift in China.

While across the Pacific in the US, the political landscape was seen shaping up with a Presidential nomination race. The majority urged Biden to withdraw, aiming to boost the party's chances in November. High-profile donors, including Ari Emanuel and Alan Jones, have lobbied senior Democrats to persuade Biden to step down. Despite efforts by allies like Hillary and Bill Clinton to retain donor support, Biden remains resolute. The most significant blow came from a Washington Post report stating that former President Barack Obama told allies that Biden's chances of victory had greatly diminished. Obama reportedly advised that Biden needs to seriously consider the viability of his campaign. On the other hand, former President Trump accepted the Republican nomination.

Meanwhile, in Europe, The European Central Bank maintained its interest rates at 3.75% in a unanimous vote, signaling caution amid persistent domestic price pressures and high services inflation. Despite a minor dip in Eurozone headline inflation to 2.5% in June, core inflation remained steady at 2.9%. ECB President Christine Lagarde emphasised the need for more data before further easing monetary policy, noting that wage growth and weak productivity continue to drive labour costs.

While the ECB remains open to a potential rate cut in September, market expectations suggest two 25 basis point cuts by year-end. European markets showed minimal reaction, with the euro slightly down against the U.S. dollar but up against the British pound. The ECB's cautious approach reflects a commitment to data-driven decisions amidst fluctuating inflation trends.

Dry Bulk

The Baltic Exchange Index fell for the third consecutive session, reaching a one-month low midweek, primarily due to plummeting Capesize rates. The overall index declined by 52 points, settling at the 1,890 mark.

Capesize vessels bore the brunt of this downturn, with their index falling 159 points to 2,940, its lowest level in nearly a month. This decline was reflected in average daily earnings, which dipped to US$24,375.

Meanwhile, the Panamax index held steady at 1,713, with average daily earnings hovering around US$15,400. In contrast to the larger vessels, the smaller Supramax segment showed some resilience, gaining 4 points to reach 1,370. However, this modest increase was insufficient to offset the overall index's decline.

The current market conditions appear to reflect the typical summer lull in shipping activity. Despite an apparent imbalance between supply and demand, rates have remained relatively stable over the past few weeks. This stability in the face of challenging market fundamentals suggests underlying factors are at play, potentially including long-term contracts or strategic positioning by market participants.

Capesize:

The iron ore market is experiencing fluctuations throughout the week, caught between the seasonal slowdown in Chinese steel demand and localised vessel shortages in the Atlantic region. The adverse weather conditions in parts of China are curtailing construction activities, leading to a persistent slowdown in domestic iron ore consumption. The Pacific market is experiencing an upward trend, driven by improved vessel demand from major iron ore shippers in Western Australia and a slight increase in cargo inflow from Eastern Australia. Pacific r/v saw rates improve to US$ 20,500 a day. Brazil has also reversed its previous downward trend, now showing growth as iron ore demand continues to flow in.

Panamax/Kamsarmax:

The market is showing signs of recovery, led by the Atlantic, despite seasonal slowdowns in coal demand from China and India. This upturn is driven by a market rebound and freight rate disparities between vessel sizes. T/A levels climb to US$13,000’s a day. India's coal imports remain low due to pre-monsoon stockpiling, while Brazil's corn exports are expected to surge significantly in July. In the Pacific, demand recovery in Southeast Asia and NOPAC has led to a rough balance between supply and demand.

Supramax/Ultramax:
In the Atlantic, despite overall weak demand, vessel requirements for USG grains are providing support to the market. However, freight rates for fronthaul routes are holding steady due to cargo shifts resulting from low valuation of Panamax vessels on Atlantic. F/H routes close at US$24,550's a day. The Pacific market on the other hand settled into a quieter atmosphere towards the end of the week as most vessels and cargoes were cleared with Pacific r/v closing lower at US$14,850's a day.

Handysize:
The Handy market saw some uptick this week unlike the bigger counterparts. Rates across both segments saw improvements with Inter Pacific closing higher at US$11,500's a day and the Indian Ocean maintaining a steady pace of operations. In the Atlantic, activities remain similar to last with rates holding steady. T/A close the week at US$11,650's a day.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,902	1,997	977	-4.76%	+94.68%
BCI	2,973	3,296	1442	-9.80%	+106.17%
BPI	1,714	1,678	945	+2.15%	+81.38%
BSI	1,374	1,364	757	+0.73%	+81.51%
BHSI	752	741	403	+1.48%	+86.60%

Dry Bulk Values

(*Weekly*)

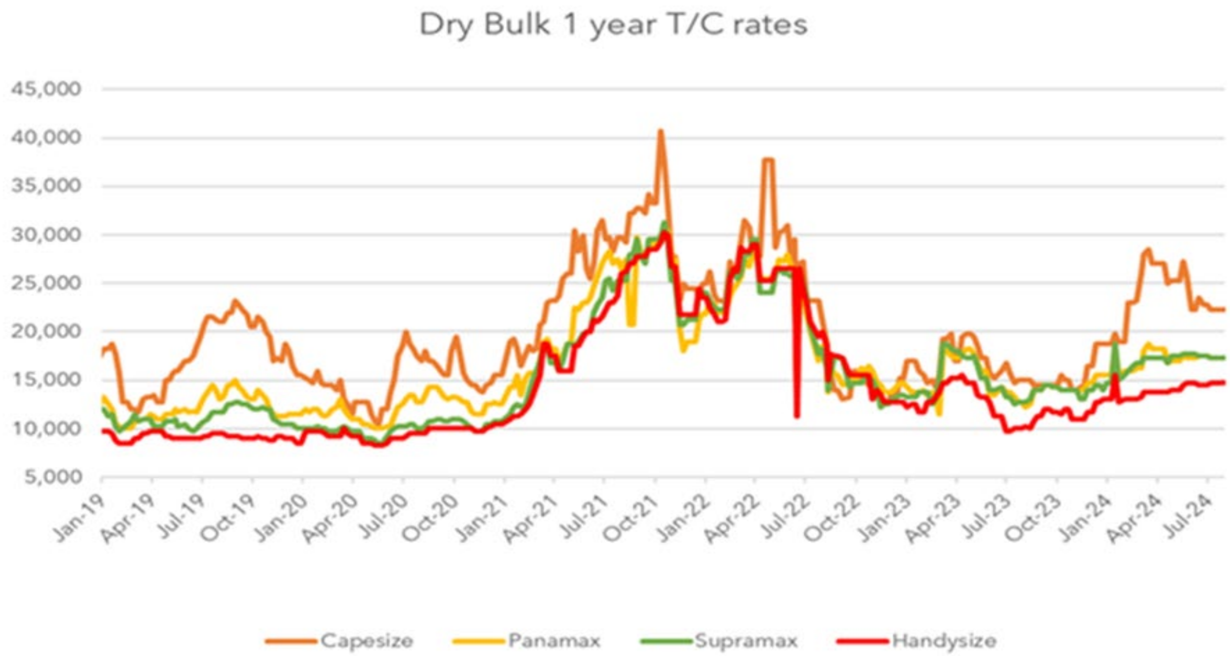
TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	76	77	64	45	29
KAMSARMAX	82,000	37	43	38	29	19
SUPRAMAX	56,000	34	42	36	28	16
HANDY	38,000	30	35	28	21	12
*(amount in USD million)						

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
CAPESIZE	180,000	23,000	23,000	15,000	0	+53.33%
PANAMAX	75,000	15,500	15,300	10,750	+1.31%	+44.19%
SUPRAMAX	58,000	15,000	15,250	11,000	-1.64%	+36.36%
HANDYSIZE	38,000	15,000	14,750	10,000	+1.69%	+50.00%

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
BERGE BOBOTOV	VLOC	207,986	2021	CHINA	75.0	GREEK BUYERS
C VISION	CAPE	173,723	2008	CHINA	21.0	CHINESE BUYERS
CLASS OLDENDORFF	POST PMAX	95,750	2013	JAPAN	27.0	SINGAPOREAN BUYERS
BW KOBE	KMAX	81,703	2019	CEBU	37.0	HMM
GLORY TRADER	PMAX	77,684	2004	TAIWAN	11.7	CHINESE BUYERS
BELMAR	UMAX	66,641	2021	JAPAN	25.5	BELSHIPS (NORWAY)
REGO	SMAX	58,729	2009	CHINA	16.4	CHINESE BUYERS
GILLINGHAM	SMAX	58,000	2010	CHINA	13.25	LOAD LINE
H JUNO	SMAX	57,353	2011	CHINA	14.0	UNDISCLOSED
WESTERN DURBAN / WESTERN LIMA / WESTERN MIAMI / WESTERN PARIS	HANDY	39,266 ~ 38,800	2015	CHINA	78.0 EN BLOC	PRECIOUS SHIPPING
LAGO DI CANCANO / LAGO DI COMO	HANDY	37,666	2014	CHINA	38.0 EN BLOC	UNDISCLOSED
VOGE MIA / VOGE EMMA	HANDY	36,866	2011	S. KOREA	30.5 EN BLOC	TURKISH BUYERS


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
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Jul-24
Capesize
Panamax
Supramax
Handysize

Tankers

Oil prices have edged lower as traders evaluate signs of muted demand in the United States and China, the world's two largest oil consumers. This decline comes amid a complex backdrop of economic and political factors affecting global markets.

West Texas Intermediate crude settled below US$82 a barrel on Monday, down 0.4%. This drop reflects a seasonal pattern where crude prices often peak after the first two weeks of July, following the peak summer consumption during the Fourth of July holiday in the US. Additionally, lackluster economic data from China has raised concerns about demand from the world's largest crude-consuming nation.

The broader market context includes an assassination attempt on former US President Donald Trump, injecting uncertainty into the upcoming US election. This event has led to increased wagers on Trump's potential return to the White House, strengthening the dollar and putting pressure on treasuries.

Despite the recent price declines, other market indicators suggest tightening supplies. Key time spreads, which provide a gauge of market health, surged last week. Meanwhile, the IEA noted that China's economic slowdown continues to weigh on global oil consumption growth.

VLCC:

The MEG market closed the week with a 3.5% decline compared to the previous week. This downturn is attributed to stagnant summer demand, ample vessel availability, and increased competition among owners for the remaining late July fixtures. 270,000mt for China close the week at WS46 levels. A similar was also noted in the Atlantic, with WAFR r/v settling at WS52.

Suezmax:

The West African Suezmax market remained stable, mirroring the previous week. This is primarily due to the weakness in the VLCC sector and sluggish summer demand. 130,000mt WAFR-UKC closed the week at WS94, down 5 points from the start of the week. In the Black Sea, 135,000mt CPC/Med fell 13 points to WS105.

Aframax:

The MEG market ended the week with declining rates. This was a result of ample vessel availability and weakness in larger vessel classes, which has expanded charterers' options. In the Atlantic, rates were stagnant for 70,000mt USG/UKC routes closing at WS185. Similarly, the South Asian market closed lower due to off-season demand slump.

Clean:

LR: It was mixed week in the larger clean segment this week. Both LR1 and LR2 saw discounts in the MEG with TC1 falling to WS160 while TC5 was down to WS188. On the other side, both sizes fared better with LR1 TC16 pushing levels up to WS145.

MR: MRs in the UKC region showed signs of optimism this week, with rates pushing upward. TC2, ARA/USAC increased by 20 points to WS199. Meanwhile, the USG saw volatility. After climbing to WS225s, the TC14 route (USG/UKC) witnessed a downward trajectory to WS170 at closing.

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	1,056	1,064	947	-0.75%	+11.51%
BCTI	822	849	602	-3.18%	+36.54%

Tankers Values

(Weekly)

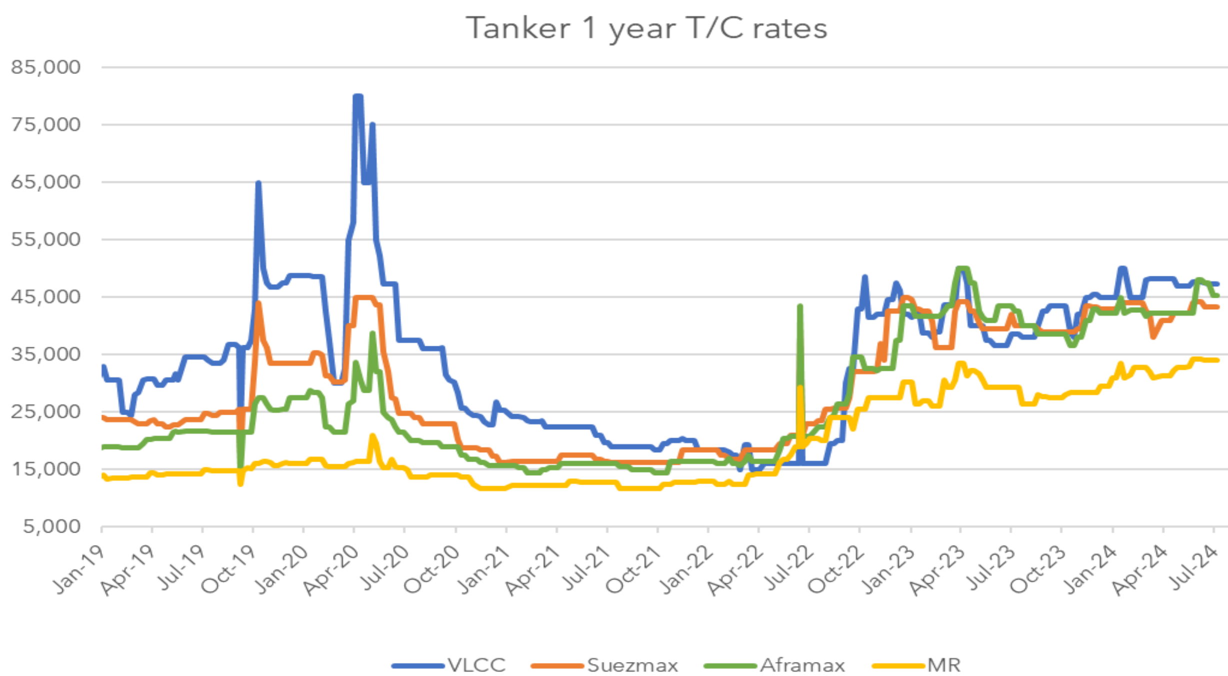
TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	130	145	115	85	58
SUEZMAX	160,000	90	99	83	68	50
AFRAMAX	115,000	75	86	72	62	44
LR1	73,000	62	64	54	44	32
MR	51,000	52	54	47	39	28
*(amount in USD million)						

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	38,000	0	+25.00%
SUEZMAX	150,000	43,500	43,500	40,000	0	+8.75%
AFRAMAX	110,000	45,000	45,000	40,000	0	+12.50%
LR1	74,000	37,000	37,000	29,250	0	+26.50%
MR	47,000	30,000	30,000	24,000	0	+25.00%

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
HAFNIA PEGASUS	MR	49,999	2010	CHINA	28.5	UNDISCLOSED
ZEZE START	MR	49,999	2009	S. KOREA	27.0	FAR EASTERN BUYERS
DAYTONA	MR	47,407	2005	JAPAN	18.0	UNDISCLOSED
SPARKLE	MR	45,744	2004	JAPAN	14.5	UNDISCLOSED
KANG YUN	MR	43,407	1992	CHINA	4.75	CHINESE BUYERS
SHAN GANG RONG HE	MR	38,752	2001	ROMANIA	7.0	UNDISCLOSED
ATLAS STAR	MR	38,289	2008	CHINA	23.25	ANCORA
PEARL MAYA	SMALL	7,999	2018	CHINA	16.5	UNDISCLOSED



Containers

A Singapore-flagged container ship, Lobivia, was attacked by Houthi forces southeast of Aden, sustaining damage but reporting no injuries among its crew and security personnel. The incident adds to the growing list of over 120 vessels targeted by Houthis since November in the Red Sea region. Environmental concerns have arisen due to a 200km oil slick in the Red Sea, likely caused by a recent attack on a tanker. The Houthis have escalated their actions, launching a drone strike on Tel Aviv that resulted in casualties.

On another container casualty news, a significant fire has broken out on the Maersk Frankfurt, a newly built container ship chartered by AP Moller-Maersk. The 5,920 TEU vessel, constructed in 2024, was sailing from Mundra, India, to Colombo, Sri Lanka, when the incident occurred.

Maersk announced on X that the extent of the fire remains unknown, but emphasized that the crew's safety is the top priority. The Indian Coast Guard received a distress call from the ship, located 50 nautical miles off Karwar, and dispatched a Dornier aircraft and three ships to the scene. Additional aircraft are being mobilised.

A coastguard video showed one of the response ships dousing the flames with a water hose. The Maersk Frankfurt is owned by Japan's Tokei Kaiun and managed by Bernhard Schulte Shipmanagement's Hong Kong unit. The Panamanian-flagged ship is classed by Japan’s ClassNK and insured by the UK P&I Club.

This week saw a widespread decline in container freight rates, with the overall SCFI index dropping 4% w-o-w to 3,542 points. The SCFI Shanghai-USWC route saw a 7% weekly decrease to US$7,124/FEU, while the SCFI Shanghai-N. Europe route saw a more modest decline to US$5,000/TEU. These drops coincide with a significant increase in tonnage deployed on both new and existing mainlane services. Congestion at some transshipment hubs, particularly Singapore, has shown signs of easing in recent weeks.

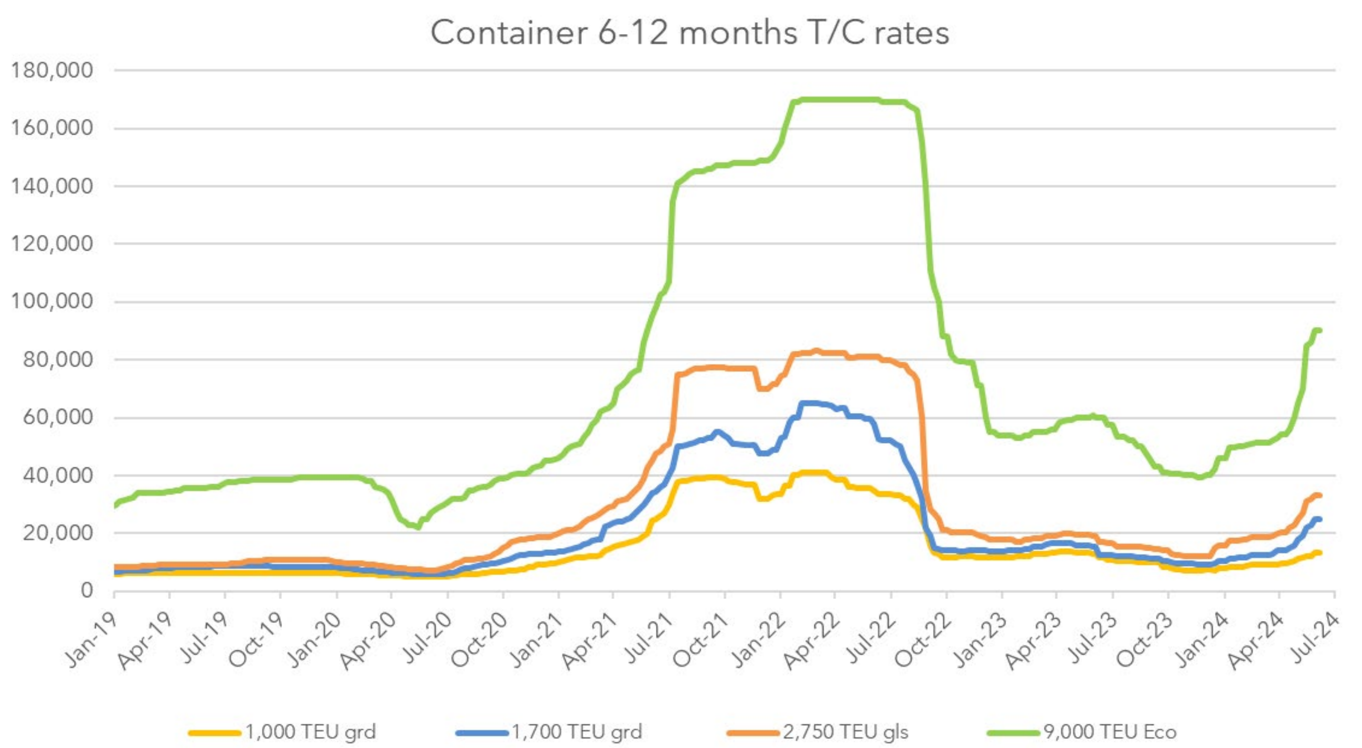
Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
WARNOW CHIEF	FEEDER	1,496	2009	CHINA	11.0	ERASMUS CORP

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	15	8
1,600 – 1,850	Geared	30	33	25	19	15
2,700 – 2,900	Gearless	41	43	34	27	22
5,100	Gearless	80	77	61	35	32

(amount in USD million)



Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
ALANG (WC INDIA)	510 ~ 520	490 ~ 500	500 ~ 510	520 ~ 530	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

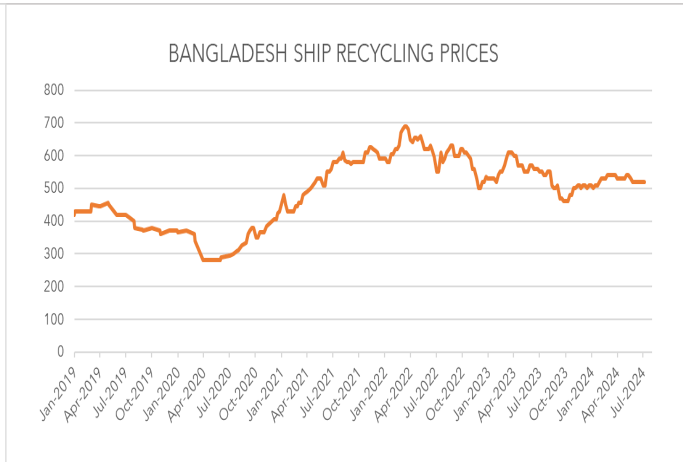
(Week 29)

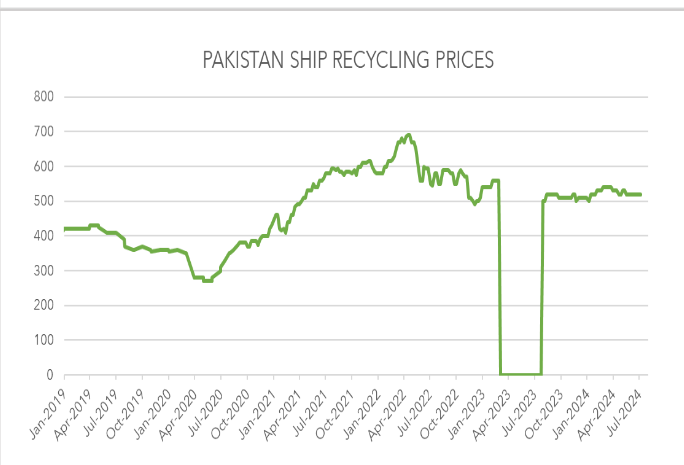
DESTINATION	2019	2020	2021	2022	2023
ALANG, INDIA	425	270	560	570	530
CHATTOGRAM, BANGLADESH	420	300	600	590	565
GADDANI, PAKISTAN	410	305	640	580	530
ALIAGA, TURKEY	270	210	190	300	325

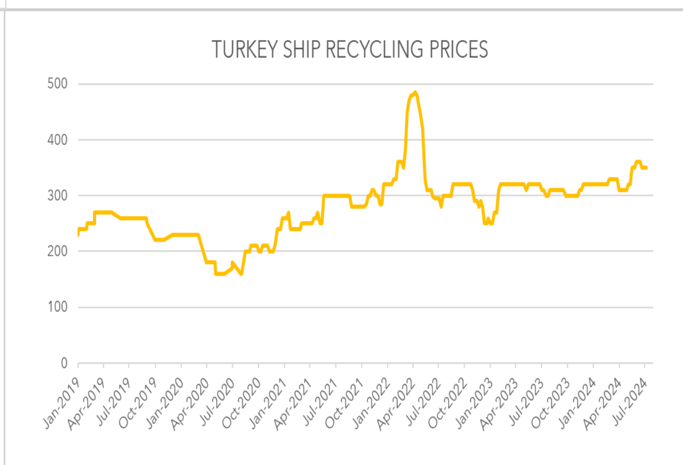
Ships Sold for Recycling

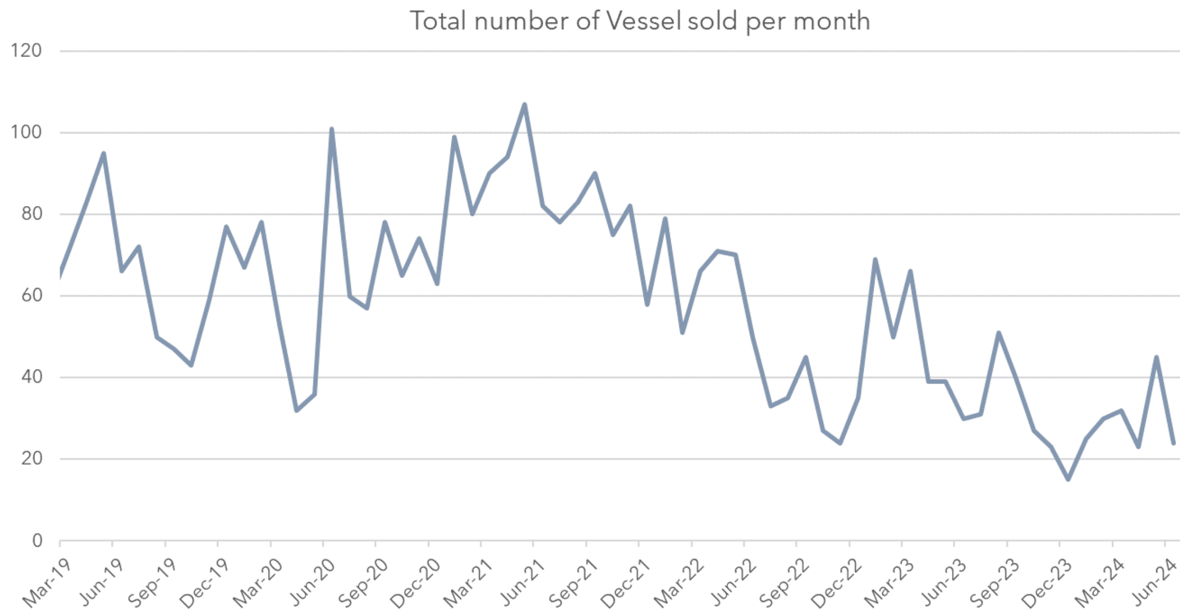
VESSEL NAME	LDT	YEAR / BUILT	TYPE	PRICE (USD/LDT LT)	COMMENTS
MSC IRIS	10,655	1982 / GERMANY	CONTAINER	526	DELIVERED ALANG FOR GREEN RECYCLING
SU ZHOU HAO	5,903	1992 / JAPAN	ROPAX	430	AS IS SHANGHAI, CHINA
HONG FA SHANG HAI	9,653	1997 / CROATIA	GENERAL CARGO	539	DELIVERED FULL SUB-CONTINENT
SHUN DA FA ZHAN	7.895	1994 / S.KOREA	BULKER	420	AS IS ZHOUSHAN, CHINA FOR REDELIVERY CHATTOGRAM

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
Sep-21
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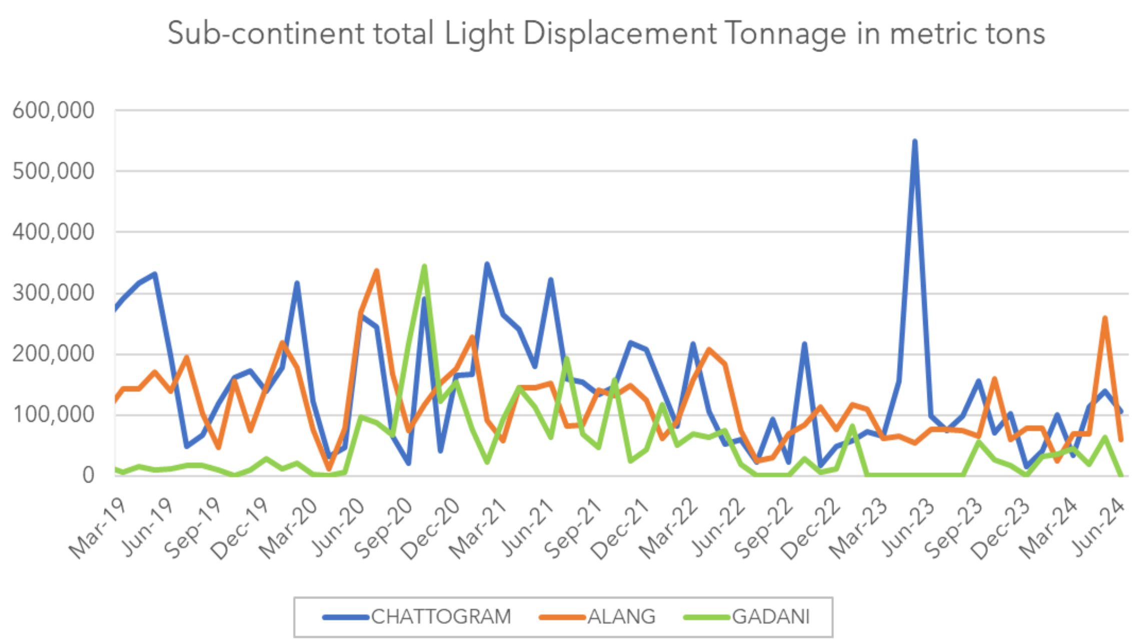
Sep-23
Dec-23
Mar-24
Jun-24


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
Jun-24
CHATTOGRAM
ALANG
GADANI

Insight

This week saw little change in the Indian sub-continent markets, with domestic ship scrap prices remaining stagnant. However, ship recycling, which has been struggling with the low supply of ships, might soon find relief as the anticipated influx of end-of-life ships draws nearer amid the cooling of freight rates across both dry and wet segments, signals a potential rise in ship supply.

Though it remains uncertain when these yet-trading end-of-life vessels will enter the market, industry experts suggest the time is approaching. The ship recycling industry, currently struggling with weak sentiment and scarce ship availability, faces a challenging pricing landscape once the anticipated supply increase materialises.

On the sales front, there was very little to report this week; however, the noteworthy aggressive sale of a large General Cargo ship at an astonishing price of US$539/lt net for delivery to all three destinations in option was seen by the industry players as dramatic speculation in light of falling and uncertain markets. The fate of her actual end sale remains to be seen.

Alang, India

The markets in Alang remained weak, with sentiments depressed. There has been no remorse for the Alang recyclers to seeing the bottoming out on domestic ship scrap prices. On a daily basis, there was a drop bit by bit, wiping out the gains seen in the last month and turning negative.

A fresh MSC container ship called the *"MSC Iris"* 1982 German-built, weighing about 10,655 tons, was reported sold for green recycling at the price of US$526 and it was surprising to note the levels being achieved were about US$20/ton down from the last done deal of such a container. This is a clear reflection of the market status in Alang at this moment.

Overall, markets are subdued and awaiting a significant bounce back in the domestic ship scrap prices as well as concerns about the domestic demand, which has been on a roller coaster ride for the past few years.

On the brighter side, this week in an official announcement from the Gujarat Maritime Board (GMB), a delegation from the European Parliament is set to visit Alang in January/February 2025 to audit the ship recycling yards. This visit is part of the Parliament's ongoing efforts to ensure compliance with international environmental and safety standards.

The delegation's mission is to evaluate the operational practices, working conditions, and environmental impact of the Alang facilities. This visit aligns with a new agreement, pending formal adoption, which allows EU-flagged ships operating in non-EU waters to be recycled at non-OECD yards listed on the EU-approved list, provided these yards meet EU standards.

This audit presents a significant opportunity for Indian ship recycling yards to demonstrate their adherence to the highest industry standards and receive constructive feedback for continuous improvement.

On the domestic economic front, the IMF has revised its economic forecast for India, projecting 7% growth in 2024, up from the previous estimate of 6.8%. This upgrade is largely attributed to improvements in private consumption, particularly in rural areas.

However, the IMF warns of a growth slowdown to 6.5% in 2025, down from the impressive 8.2% growth recorded in the fiscal year 2023-2024.

India, dubbed "the world's fastest-growing major economy" by the IMF, continues to attract major investors like Apple and Google as it strives to become a manufacturing powerhouse. Alongside China, India is expected to account for almost half of global growth this year.

Anchorage & Beaching Position (July 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
GORDON	FISHING	2,801	16.07.2024	AWAITING
TOKKACHI FROST	REEFER	2,529	11.07.2024	17.07.2024
VIVA	REEFER	2,188	06.07.2024	10.07.2024
URANUS	CONTAINER	24,328	05.07.2024	10.07.2024

Chattogram, Bangladesh

This week, the nation was gripped by intense domestic unrest as protests erupted over government job quotas. The situation escalated to the point where communication channels were blocked, significantly disrupting business activities. The tension between students and the government remains high, with no immediate resolution in sight.

In Chattogram, the ship recycling market continues to face challenges amid falling domestic ship scrap price which remains on a downward trend, further aggravated by the widening price differential between ship scrap and ship scrap plates. This gap has now reached approximately US$148/ton, a historically high and unsustainable level in the medium term. The question is how long such disparity will remain and whether it is sustainable.

Meanwhile, significant issues have emerged post recycling of Chinese domestic ships. Recent reports reveal that these ships are experiencing weight shortages of 10-12% as they complete their recycling process. This discrepancy is considerable and has raised concerns within the industry.

Lately, such ships were now being considered along with the weight loss factors and were being offered at least about US$40~ 50/ton less than the normal non-Chinese built ships.

Overall, the recycling markets in Chattogram remained on the sidelines, with recyclers wanting to wait and watch the directions.

Anchorage & Beaching Position (June 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
SIA 30	CONTAINER	2,586	17.07.2024	AWAITING
PIONEER	TUG	1,348	14.07.2024	AWAITING
PAN	GEN. CARGO	1,662	11.07.2024	AWAITING
NARESHWAR	BULKER	10,308	05.07.2024	AWAITING
XING TONG 313	LPG	1,909	26.06.2024	12.07.2024
EVER EXPRESS	GEN. CARGO	137	07.07.2024	11.07.2024
XIANG	BULK	3,947	01.07.2024	11.07.2024
YUN SHOU 7	BULKER	3,399	07.07.2024	11.07.2024
YUN TAI LONG 66	CONTAINER	2,090	26.06.2024	03.07.2024

Gadani, Pakistan

This week, the Gadani markets demonstrated stability in contrast to neighbouring regions. Despite steady demand, the lack of available ships resulted in minimal activity. This balance of supply and demand maintained market stability, with no significant fluctuations reported.

On the domestic economic front, the Shehbaz Sharif-led government has secured a crucial three-year, US$7 billion aid package from the IMF, offering much-needed relief to Pakistan, the Washington-based institution announced on Saturday. Moody's welcomed the deal, noting that it would enhance Pakistan's (Caa3 stable) funding prospects by providing credible financing sources and catalysing support from other partners to meet the nation's external financing needs.

However, Moody’s stressed the importance of sustained reform implementation to unlock continuous financing and ease government liquidity risks. The new IMF program mandates significant reforms, including tax base expansion, energy tariff adjustments, and improvements in state-owned entities’ management. These measures aim to restore energy sector viability, phase out agricultural subsidies, and liberalise trade policy.

Despite these efforts, Moody’s cautioned that social tensions from high living costs and political instability could hinder reform progress. With foreign reserves below necessary levels, Pakistan faces substantial external financing needs of US$21 billion by June 2025 and US$23 billion for 2026-27.

Anchorage & Beaching Position (July 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
ALPS	BULKER	10,191	21.06.2024	03.07.2024
DIYAA B	BULKER	6,956	20.06.2024	05.07.2024

Aliaga, Turkey

Scrap prices in Turkey have remained firm, bolstered by recent purchases from a Turkish mill. Despite these transactions, the overall interest of Turkish producers remains limited. Subdued steel sales and an inconsistent Chinese market have made mills cautious about scrap purchases, even as they face ongoing requirements for August shipments.

The Turkish domestic rebar market remains stagnant despite sharp currency depreciation. Mill offers are held at US$587-610/t ex-works.

In ship recycling, sales continued to be slow with minimal activity forecast for the coming weeks.

BEACHING TIDE DATES 2024

Chattogram, Bangladesh : 21 ~ 24 July | 4 ~ 7 August

Alang, India : 19 ~ 27 July | 31 July ~ 8 August

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	HSFO (3.5%)	MGO (0.1%)
SINGAPORE	628	601	904
HONG KONG	633	536	744
FUJAIRAH	632	517	847
ROTTERDAM	574	514	746
HOUSTON	613	498	789

EXCHANGE RATES			
CURRENCY	JULY 19	JULY 12	W-O-W % CHANGE
USD / CNY (CHINA)	7.26	7.25	-0.14%
USD / BDT (BANGLADESH)	117.48	117.50	+0.02%
USD / INR (INDIA)	83.73	83.50	-0.28%
USD / PKR (PAKISTAN)	278.28	278.46	+0.06%
USD / TRY (TURKEY)	33.02	33.05	+0.09%

Sub-Continent and Turkey ferrous scrap markets insight

The Sub-Continent ferrous scrap market saw mixed trends this week, with fluctuations evident across various countries. India experienced sluggish demand, while Pakistan faced high offers and limited purchasing power. In Bangladesh, post-Muharram market activity was moderate due to a domestic steel market slowdown and financing challenges. Meanwhile, Turkey maintained stable deep-sea imported scrap prices amid limited deal activity, as mills preferred Chinese billet offers over scrap due to cost advantages despite longer lead times.

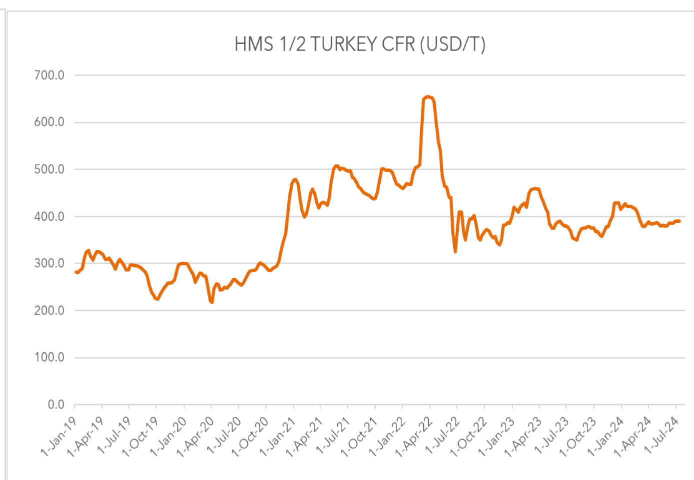
India's imported scrap market remained sluggish as buyers showed disinterest due to significant bid-offer disparities. Shredded scrap offers were around US$410-415/t CFR, while buyers bid lower at US$400-405/t CFR, creating a $10-15/t gap. Offers for HMS (80:20) from the UK/Europe and West Africa ranged from US$385-395/t CFR. Domestic rebar prices dropped to four-month lows, prompting buyers to adopt a need-based purchasing approach. Approximately 2,000 t of HMS (80:20), HMS-LMS bundle mix, and HMS-PNS mix scraps were booked from African, Yemen, and UAE origins at around US$380-390/t CFR Mundra.

Pakistan's imported scrap market was notably slow due to the observance of Muharram, leading to minimal activity and curtailed offers and bids. Shredded scrap offers from the UK/Europe remained steady at US$425-430/t CFR Qasim, with limited buyer interest. The domestic steel market was moderate, with buyers purchasing as needed and local scrap prices rising to PKR 150,000-160,000/t. Despite stable domestic rebar and billet prices, limited purchasing power resulted in few major sales. As the market reopened post-Muharram, expectations of increased production costs and declining raw material inventory suggested potential price hikes.

Imported ferrous scrap offers into **Bangladesh** increased by up to US$2/t w-o-w for containerised scrap, while buyers in the Dhaka region showed less interest due to liquidity concerns. Bulk offers from the US and Japan were absent as major players adopted a wait-and-watch approach. Mid-week, the market remained largely closed due to Muharram observance. In Dhaka, several mills are up for sale, with some owners looking to sell plants along with the land, indicating industry de-growth. Workable levels for imported ferrous scrap were US$410/t for Australian HMS (80:20), US$420-422/t for UAE HMS 1 and PNS mix, US$427-430/t for European shredded, and US$420-425/t for US shredded. The preference for Australian, Singaporean, and Malaysian materials persisted, but higher freight rates hindered significant bookings. Student protests against quotas led to blocked roads and railways, disrupting scrap and steel movements.

The **Turkish** imported ferrous scrap index held steady with a slight rise mid-week, currently at US$389-390/t CFR, reflecting limited market activity. Early in the week, market operations were subdued due to the Turkish Democracy and National Solidarity holidays. By the weekend, deals from the US and Europe were reported in the US$383-392/t range. Collection costs for HMS in the Benelux region remained at a minimum of €320/t delivered to docks, with overall market stability despite the holiday lull.

HMS 1/2 & Tangshan Billet



Commodities

Iron ore prices declined after the Third Plenum communique failed to indicate any significant policy changes. This drop is attributed to weakening seasonal demand and increased supply from major exporters, which are softening the iron ore market. China's economic data continues to show signs of weakening, with GDP growth at just 4.7% in the second quarter, coupled with disappointing home sales and property investment figures. The steel industry, now in its quieter summer period, is also seeing reduced demand.

On the supply side, iron ore producers have rebounded from earlier disruptions. Both Rio Tinto and BHP reported robust second-quarter production results after overcoming weather-related challenges. Similarly, Brazil's Vale, the world's second-largest iron ore producer, saw a 13.8% increase in June quarter production, overcoming prior operational issues.

Despite these challenges, China continues to import substantial quantities of iron ore, contributing to a build-up of stocks. This combination of ample supply and steady imports is expected to maintain downward pressure on iron ore prices.

Copper prices led the base metals sector to lower after China's Third Plenum failed to announce new stimulus measures. President Xi Jinping emphasised the importance of high-quality development as the driving force for the world's second-largest economy, leaving investors disheartened by the lack of focus on addressing structural issues such as the struggling property sector.

Adding to the negative sentiment, recent data revealed that China's exports of unwrought copper and copper products reached a record high for the second consecutive month. This surge is largely due to weak domestic demand, forcing traders to seek international markets.

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)	108	-2.70%	-5.26	114	111
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	111	-5.12%	0%	117	111

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	423.65	-4.30	-1.00%	Sep 2024
3Mo Copper (L.M.E.)	USD / MT	9,310.00	-76.00	-0.81%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,351.50	-33.50	-1.40%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,776.50	-32.50	-1.16%	N/A
3Mo Tin (L.M.E.)	USD / MT	31,050.00	-554.00	-1.75%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	80.13	-2.69	-3.25%	Aug 2024
Brent Crude (ICE.)	USD / bbl.	82.63	-2.48	-2.91%	Sep 2024
Crude Oil (Tokyo)	J.P.Y. / kl	85,280.00	+100.00	+0.12%	Jul 2024
Natural Gas (Nymex)	USD / MMBtu	2.13	+0.00	+0.14%	Aug 2024

Note: all rates as at C.O.B. London time July 19, 2024

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