WEEKLY REPORT

WEEK 30 – July 27, 2024

This week in the focus, the Federal Reserve officials are poised to signal potential rate cuts in the coming months, with Chair Jerome Powell expected to hint at this during the upcoming meeting. As the Fed maintains interest rates at their highest level in over two decades, market watchers anticipate a rate cut in September. This speculation follows recent data indicating milder inflation and robust economic growth. The Fed aims to balance its goals of maximum employment and stable prices without harming the labour market.

The spotlight is on Friday's jobs report, expected to show moderate hiring with nonfarm payrolls predicted to increase by 178,000, and the unemployment rate holding at 4.1%. Upcoming data on job openings and consumer confidence will also be crucial, along with the ISM factory report.

In Canada, GDP data for May is expected to show a 0.2% rise, with preliminary June figures also anticipated.

Globally, Japan's central bank is set to announce a reduction in bond purchases and possibly a rate hike. Pakistan's central bank is expected to cut its rate to 19.5%. Australia's June inflation data, China's PMI, and South Korea's consumer prices will be significant for regional policy decisions.

In Europe, the focus is on GDP and inflation data. The euro area's growth is expected to slow to 0.2%, with inflation likely steady at 2.5%. The BOE is predicted to cut rates, marking a shift in policy amid ongoing price pressures.

Saudi Arabia's economy likely contracted again due to oil production cuts, while non-oil growth remains a priority. In Africa, Mozambique's central bank is expected to cut rates for the fourth time this year.

In Latin America, key data includes unemployment reports from Brazil, Mexico, Chile, and Colombia, as well as industrial output and consumer prices. Central banks in Chile, Colombia, and Brazil are set to announce rate decisions, with cuts expected in Chile and Colombia.

Dry Bulk

The Baltic Dry Index continued its downward trend for the fourth consecutive session, fell 30 points to 1,834 - its lowest level in 2 months. The Capesize index experienced the sharpest decline, plummeting over 100 points to 2,696, marking a 6-week low. Consequently, average daily earnings for this segment fell to US$22,350's.

In contrast, the Panamax index showed improvement, rising by 57 points to 1,785. This increase pushed the index above the month's benchmark for this vessel size, with average daily earnings climbing to US$16,000's range.

The smaller vessel segments also saw modest gains, with Supramax index edging up to 1,387 points.

It has been a quiet period in the dry bulk in the last few weeks which is a stark departure from the market's usual fluctuations. Both spot rates and freight futures have remained within a narrow range, showing little sign of breaking out in either direction. While the urgency among charterers to secure tonnage for high-volume iron ore exports seems to have diminished, freight prices have not correspondingly declined.

However, there is a silver lining in all this, as iron ore prices once again reach the US$100 mark, which fundamentally means a pickup of business into the later part of the year. But with precarious geopolitical events, it's anybody's game how the market will shift.

Capesize:

The iron ore market is facing downward pressure due to seasonal low demand and weak Chinese economic indicators. China's Q2 economic growth of 4.7% fell below expectations, indicating a slowdown. In the Pacific, rates fell lower due to sluggish iron ore demand. Pacific r/v fell to US$19,500's a day at closing, while T/A slipped to US$21,650's a day as a result of an increasing accumulation of available vessels.

Panamax/Kamsarmax:

The market is experiencing an upward trend, primarily driven by cargo shifts from overvalued Supramax vessels, despite weaker Brazilian corn exports compared to last year. The market is finding support from increased coal shipments from major Atlantic suppliers, attracted by Panamax competitive rates. Brazil r/v saw rates in the region of US$16,800's a day. Meanwhile, in the Pacific, markets have quietened down a bit, with most spot cargoes concluding fixtures; Pacific r/v closed the week at US$ 14,000 a day.

Supramax/Ultramax:

The market is currently stable, balancing weak South American grain demand against recovering Indonesian coal demand. In the Atlantic, steady U.S. grain shipments are offset by slow South American activity and cargo shifts to Panamax. T/A levels remain similar to last at US$21,150's a day. The Pacific market on the other hand is improving as Indonesian coal supply disruptions ease following reduced rainfall. However, growth is limited as summer power demand in Northern Hemisphere countries remains muted, keeping Pacific coal trade volumes modest. Pacific r/v saw rates fell slightly to US$14,450's a day.

Handysize:

The Atlantic market remains mostly unchanged as the USG experienced weak demand, offset by strong demand and favourable supply-demand dynamics in the South. T/A levels remain at US$11,750's a day at week's closing. In the inter Pacific, rates remain elevated due to Indonesian coal demand with levels closing at USS$11,200's a day.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1834	1,902	1,097	-3.58%	+67.18%
BCI	2696	2,973	1,830	-9.32%	+47.32%
BPI	1785	1,714	955	+4.14%	+86.91%
BSI	1387	1,374	733	+0.95%	+89.22%
BHSI	760	752	397	+1.06%	+91.44%

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

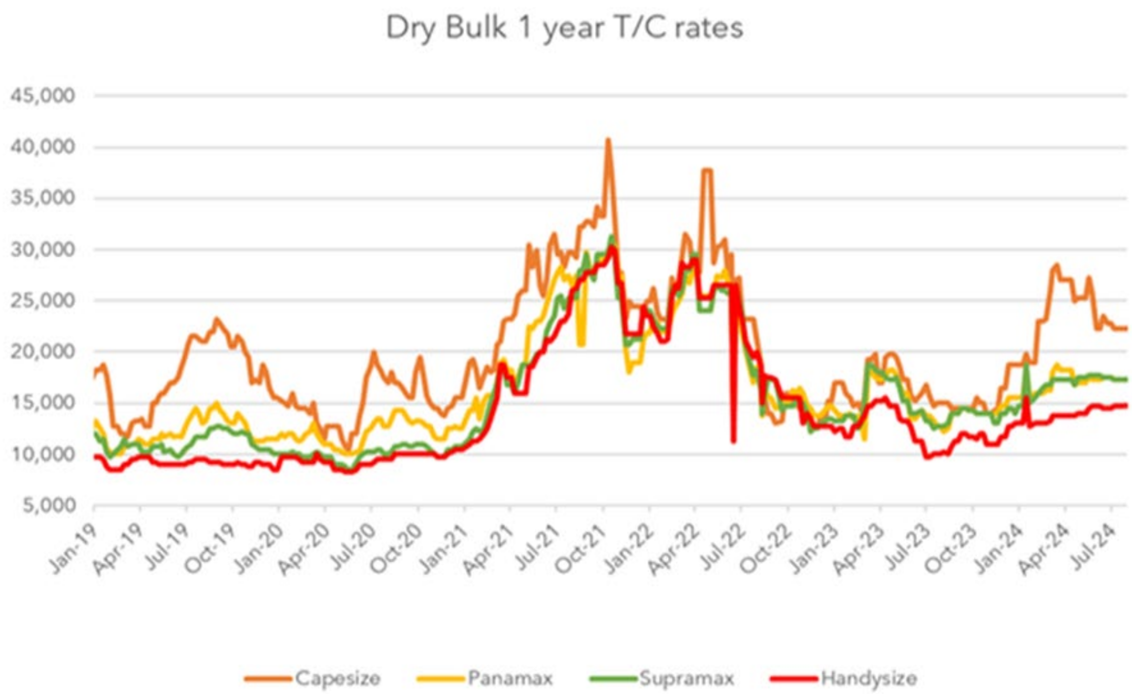
**(amount in USD million)*

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	22,000	23,000	15,000	-4.35%	+46.67%
PANAMAX	75,000	15,750	15,500	10,500	+1.61%	+50.00%
SUPRAMAX	58,000	15,000	15,000	10,750	0	+39.53%
HANDYSIZE	38,000	15,000	15,000	10,250	0	+46.34%

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
CAPE MATHILDE	CAPE	178,831	2010	JAPAN	30.0	CHINESE BUYERS
GENCO HADRIAN	CAPE	169,025	2008	S. KOREA	25.0	HONG KONG BASED
KRISTIAN OLDNDORFF	KMAX	82,143	2024	CHINA	40.8	HMM
YU QIANG	KMAX	81,608	2012	CHINA	17.5	GREEK BUYERS
THE HOLY	PMAX	76,623	2001	JAPAN	9.2	UNDISCLOSED
STAR IRIS	PMAX	76,466	2004	JAPAN	13.0	UNDISCLOSED
ALIYAH PERTIWI	PMAX	73,461	2001	JAPAN	7.5	CHINESE BUYERS
TAI SHINE	UMAX	61,473	2012	JAPAN	21.0	UNDISCLOSED
ROYAL SAMURAI	SMAX	58,091	2010	CEBU	17.7	BANGLADESHI BUYERS
CEBIHAN	SMAX	57,318	2009	S. KOREA	15.3	VIETNAMESE BUYERS
SEACON YANTAI	SMAX	56,944	2010	CHINA	13.8	PT PRIMATA ENERGI MANDIRI
CORELEADER OL	HANDY	37,118	2012	JAPAN	17.4	MANTA DENIZCILIK
DL JASMINE	HANDY	33,737	2012	CHINA	12.3	LOAD LINE


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

Tankers

Oil prices declined, aligning with broader drops in commodities and equity markets, as concerns about China's economic outlook overshadowed reduced U.S. oil inventories.

Brent crude fell to around US$81 per barrel, erasing Wednesday's 0.9% gain, while West Texas Intermediate dipped below US$77. Despite China's further monetary policy easing on Thursday, persistent worries about its economic slowdown and potential impact on oil demand continued to weigh on the market.

Crude prices have retreated from their early-month peak, pressured by apprehensions about weak demand in China. These factors have counteracted the positive effects of OPEC+ production cuts and anticipated U.S. interest rate reductions.

Meanwhile, the VLCC market in early July mirrored late June's sentiment, characterised by steady but sluggish activity. Tonnage flow remains consistent, providing some stability. However, the freight market is depressed, with rates declining by about 12% m-o-m in both the MEG and WAFR basins.

This is similar to last summer, reflecting the cyclical nature of the VLCC market. Two notable peaks occurred in mid-November and before mid-March, bringing brief surges in rates and activity.

Looking ahead, there is cautious optimism that the upcoming release of MEG dates might slightly firm up rates and stimulate activity.

VLCC:

MEG is entering the final stages of August bookings. While the summer demand slump persists, there has been a weekly increase, with rates recovering to the WS60s this week. This is mainly attributed to supply adjustments caused by excessive rate drops in the Middle East, leading to Atlantic vessel shifts. The week is closing on firmer levels, with 270,000mt MEG/China seeing rates closing around WS59 on Friday.

Suezmax:

The West African market saw a brief surge of optimism early in the week due to new cargo inflows. However, this quickly subsided, ending with a slightly bearish tone. 130,000mt Nigeria/UKC fell 7 points to WS87. A similar was also noted in the Middle East with 140,000mt MEG/Med route falling to WS85.

Aframax:

Another poor outlook in the MEG market, a trend that has follow since early June due to weak demand. The situation is further complicated by competition with larger vessel classes for cargo, exacerbated by the sluggish Suezmax market conditions. In the Med, similar sentiments were noted with 80,000mt Ceyhan/Lavera slipping to WS128.

Clean:

LR: MEG/ Far East route continues to face dual challenges: an increase in available vessels and a shortage of cargo. This situation led to a significant rate drop last week, with LR1 rates in the region closing at the WS160 mark. LR2 also mirrors the same downturn with TC1 recording losses down to WS148.

MR: The Far East region experienced a downward trend in rates, primarily due to reduced export volumes from China and South Korea. In the MEG, TC17 also saw big discounts with rates falling to WS200 at closing.

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	1,036	1,056	881	-1.89%	+17.59%
BCTI	814	822	671	-0.97%	+21.31%

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

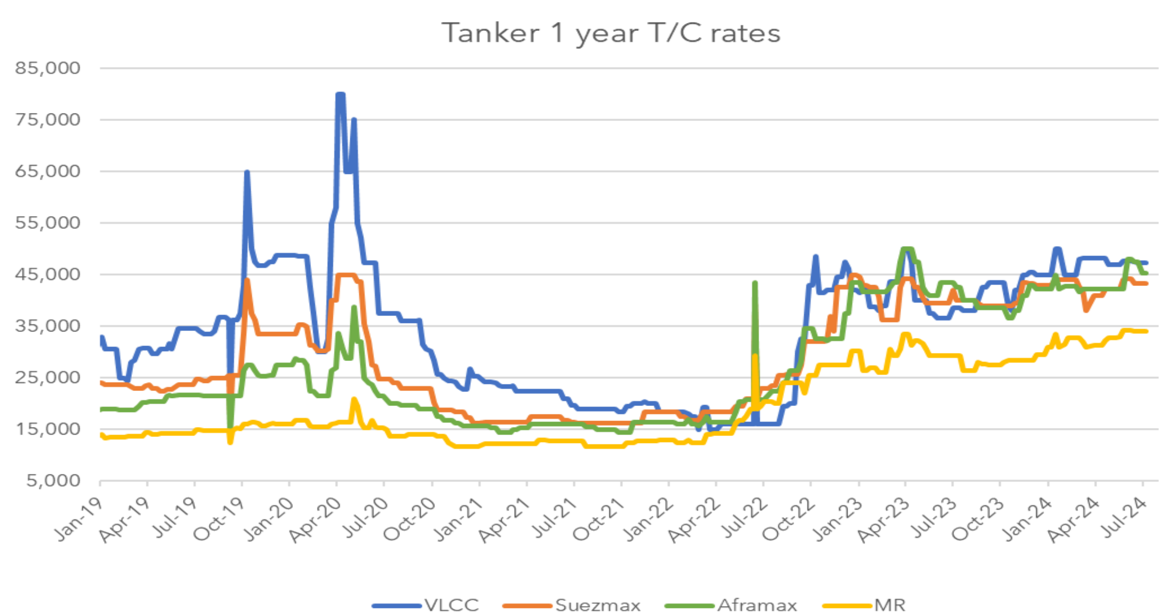
*(amount in USD million)

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	41,000	43,500	40,000	-5.75%	+2.50%
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
SEAQUEEN	AFRA	115,639	2004	S. KOREA	30.0	UNDISCLOSED
HAFNIA THAMES	LR1	76,586	2008	CHINA	28.0	DYNACOM
NAVE EQUATOR	MR	49,999	2009	S. KOREA	26.0	INDONESIAN BUYERS
QUARTZ / BERYL / SILVER MONIKA / SILVER EMILY / SILVER AMANDA / SILVER CARLA / SILVER HAGUE / SILVER ROTTERDAM	MR	49,990 ~ 49,680	2015 ~ 2014	S. KOREA	340.0 EN BLOC	TORM
NCC TABUK	MR	45,963	2006	S. KOREA	22.0	UNDISCLOSED
KANG YUN	MR	43,407	1992	TAIWAN	4.75	UNDISCLOSED



Containers

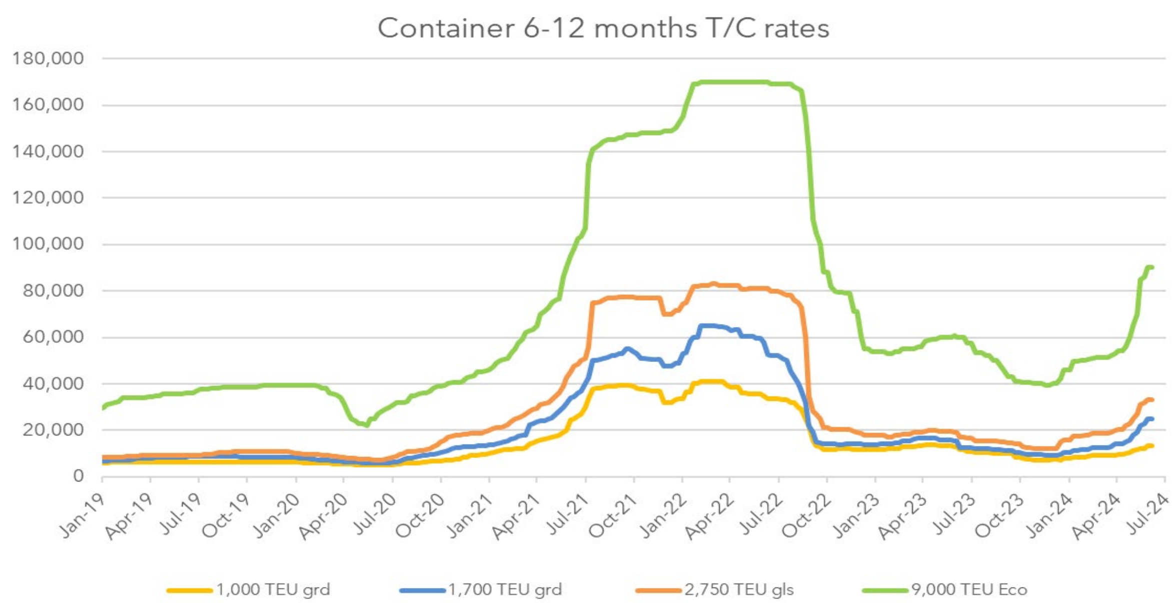
Container freight rates continued their downward trend this week, with the overall SCFI index dropping 3% w-o-w to 3,448 points. The main trade lanes experienced widespread softening of rates. The SCFI Shanghai-US West Coast route saw a significant 7% weekly decrease, settling at US$6,663 per FEU. Meanwhile, the SCFI Shanghai-North Europe route experienced a slight w-o-w dip, landing at US$4,991 per TEU.

Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
NO NEW SALES REPORTED						

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	30	33	25	18	15
2,700 – 2,900	Gearless	41	43	34	27	22
5,100	Gearless	80	77	66	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	510 ~ 520	490 ~ 500	480 ~ 490	520 ~ 530	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	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

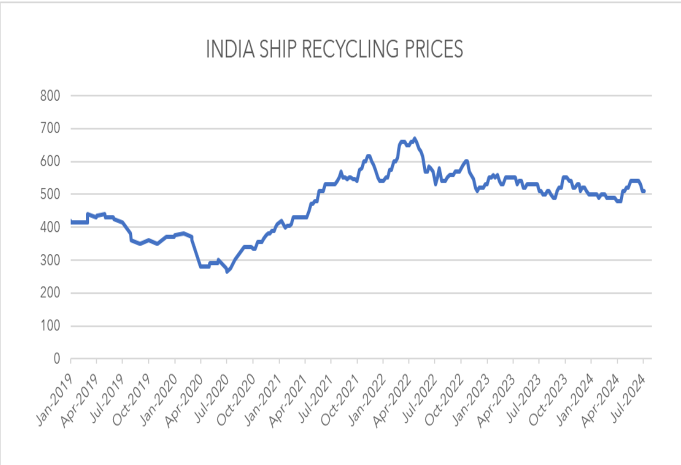
(Week 30)

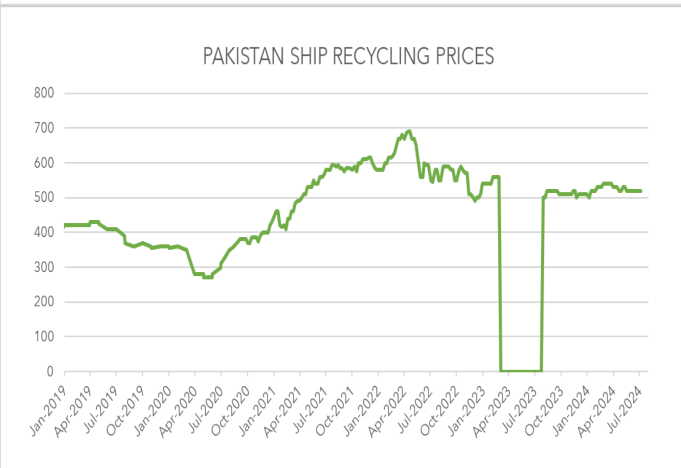
DESTINATION	2019	2020	2021	2022	2023
ALANG, INDIA	425	270	600	570	530
CHATTOGRAM, BANGLADESH	420	300	620	590	565
GADDANI, PAKISTAN	410	305	680	580	530
ALIAGA, TURKEY	270	210	160	300	325

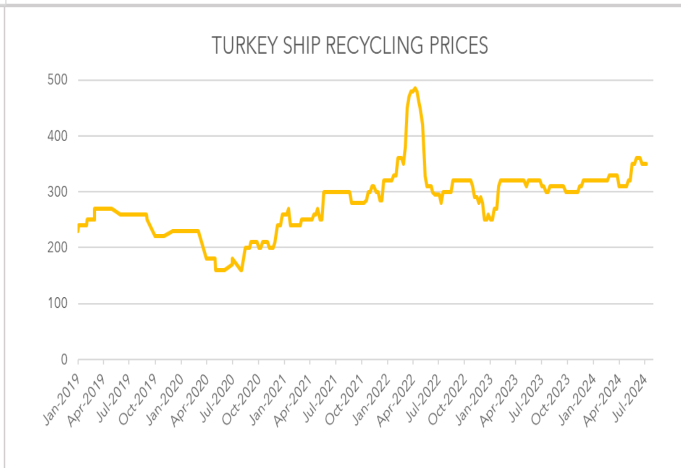
Ships Sold for Recycling

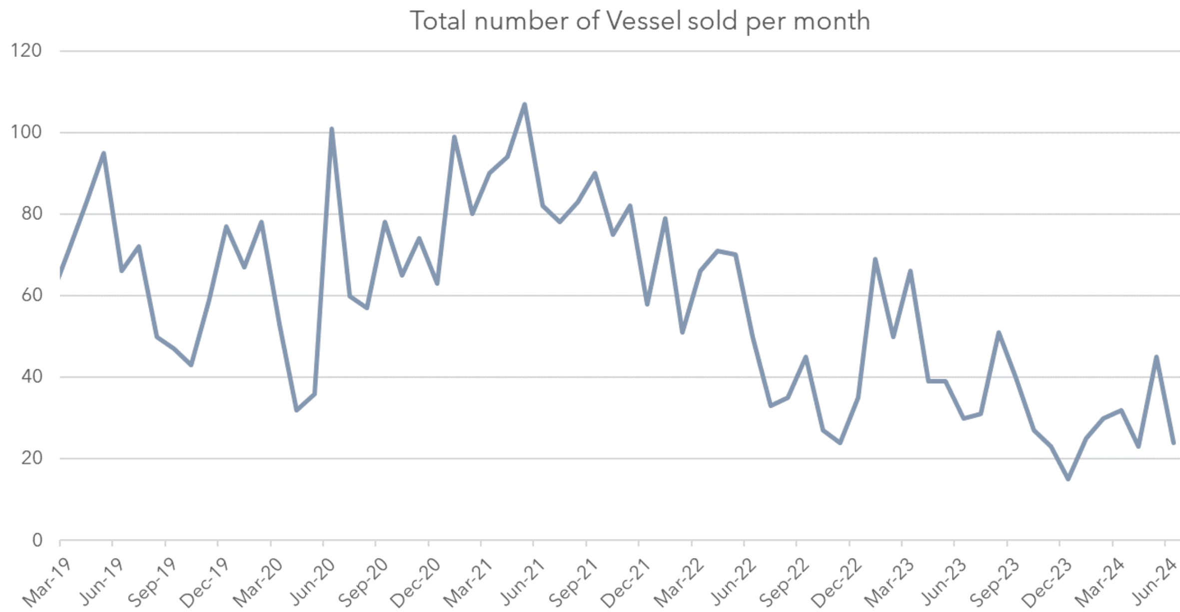
VESSEL NAME	LDT	YEAR / BUILT	TYPE	PRICE (USD/LDT LT)	COMMENTS
ICE RUNNER	6,939	1984 / JAPAN	REEFER	UNDISCLOSED	DELIVERED ALANG
PIONEER	1,348	1978 / USA	POLLUTION CONTROL SHIP	530	DELIVERED CHATTOGRAM

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
Dec-21
Mar-22
Jun-22
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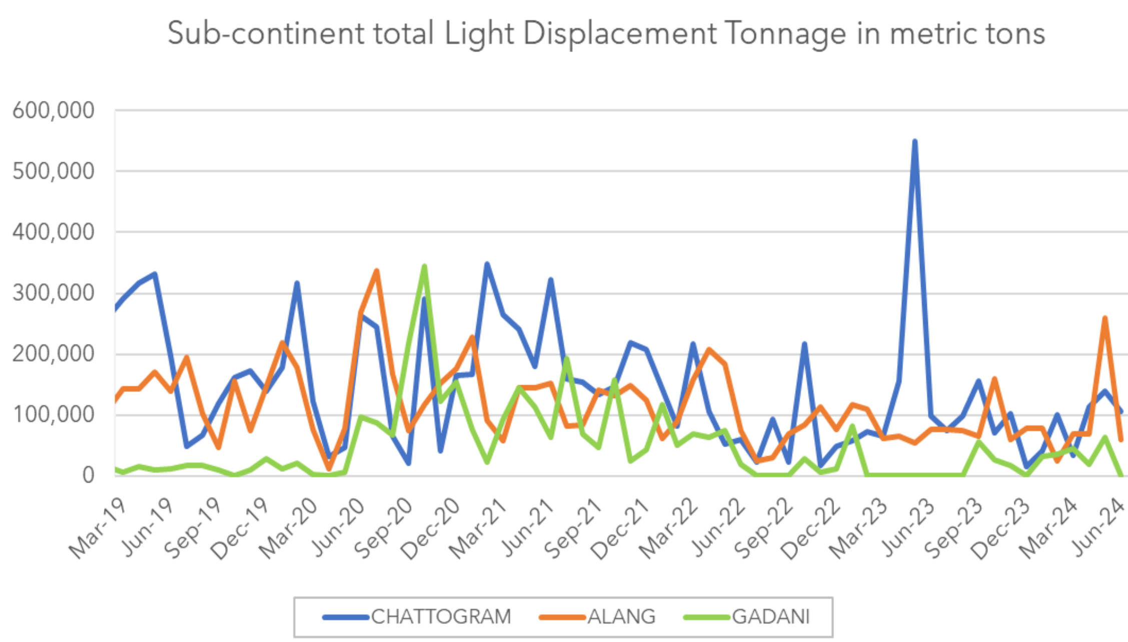
Dec-23
Mar-24
Jun-24


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, the Indian Sub-Continent markets experienced a period of complete tranquility, with no significant sales to report. The markets remained devoid of new ship arrivals, leading to a scarcity of available vessels.

On the other hand, the ship scrap prices continued to be weak, reflecting the subdued activity. The persistent lack of demand, the ongoing challenges facing the region's ship recycling industry.

Alang, India

The market in Alang has taken a backseat, with domestic prices experiencing a sharp decline and no clear bottom in sight. Sentiments among recyclers in Alang remain mixed as they assess the ongoing changes and find support price levels to seek viability.

Conversely, the catalyst for the domestic market downturn has been the influx of cheap imports, which are now having a negative impact. The Indian Steel Ministry is working with the Finance Ministry to implement policy measures aimed at curbing rising steel imports and protecting the domestic industry. Indian steel producers have raised concerns over the growing volume of imports, particularly from China and countries with Free Trade Agreements (FTA).

These concerns were presented to Ministry officials, including the steel minister. Possible interventions include imposing duties or other trade restrictions. Recently, the Steel Ministry launched an enhanced Steel Import Monitoring System (SIMS 2.0) to better track and analyze import data. According to the annual Economic Survey of 2023-24, India became a net steel importer in FY24 due to lower international steel prices affecting export profitability. In Q1 FY25, imports surged 30% to 1.9 million tons, while exports fell 38% to 1.3 million tons. Major domestic steelmakers emphasised the urgency of quick-response trade measures to address the situation.

The Indian union budget was announced this week, and no changes were made to the steel or ship recycling industry. The only positive news from the budget was that the Government has allocated about 3.4% of the GDP equating to about US$134 billion for capital expenditure. Infrastructure investments by State Governments in the long term positive for the steel industry which would eventually give a boost to the demand of ship scrap down the line.

Anchorage & Beaching Position (July 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
MERSIN 15	RORO	5,280	23.07.2024	AWAITING
GORDON	FISHING	2,801	16.07.2024	20.07.2024
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

The ongoing curfew over the past ten days has left the nation crippled, with internet communications completely cut off. The ship recycling industry was unreachable during this period, but internet services were restored this Friday and business is getting back to normal.

Moving forward, it will be interesting to observe the market directions, especially as neighbouring countries face similar issues with cheap imports, which could shape new pricing levels.

Anchorage & Beaching Position (June 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
TAI	BULKER	3,231	24.07.2024	AWAITING
SIA 20	CONTAINER	1,747	20.07.2024	AWAITING
SIA 30	CONTAINER	2,586	17.07.2024	21.07.2024
PIONEER	TUG	1,348	14.07.2024	19.07.2024
PAN	GEN. CARGO	1,662	11.07.2024	16.07.2024
NARESHWAR	BULKER	10,308	05.07.2024	19.07.2024
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

The ship recycling markets have now entered a period of hibernation due to the surge in steel imports impacting the local industry. Demand for ship scrap has vanished as recyclers are facing a major dilemma in competing with import scrap. The overall situation remains uncertain, with demand lagging.

Iron and steel scrap imports soared by 46.5% to US$1.556 billion during the first 11 months of FY2024 (July to May), compared to US$1.062 billion for the entire FY2023. The current ship recycling prices are unsustainable for recyclers. Industry experts believe that a significant price correction is needed to make the market viable again; until then, recyclers will remain on the sidelines.

Another blow to the Pakistani steel manufacturers came in; in a recent meeting, the National Assembly Standing Committee on Industries and Production was briefed on the status of Pakistan Steel Mills (PSM). Chairman Syed Hafeezuddin raised questions about PSM's future and its land area. Industries Secretary Saif Anjum reported that the Special Investment Facilitation Council (SIFC), led by Prime Minister Shehbaz Sharif, has declared PSM as scrap due to its outdated infrastructure and technology. Consequently, around 19,000 acres of PSM land will be repurposed for special economic zones. Two zones covering 500 and 700 acres have already been established, with an additional 700 acres transferred to Sindh province for a new, modern steel mill. Additionally, the ministry approved the disconnection of the gas supply to PSM on June 30 to prevent a further financial burden of approximately Rs2.5 billion on the national exchequer.

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

Turkish steel mills have maintained their domestic scrap buying prices, reflecting an unusual period of lira stability against other currencies. Simultaneously, imported scrap values have held steady for an unprecedented duration, with market forces in a delicate balance that leaves little room for price fluctuations.

A mill representative commented on the market situation, citing weak Chinese demand and attractive billet offers as reasons to avoid large scrap purchases.

Turkish shipbreaking scrap prices stood at us$375-390/t delivered, while the Turkish lira closed at 33.09 to the dollar on Friday.

BEACHING TIDE DATES 2024		
Chattogram, Bangladesh	:	4 ~ 7 August | 19 ~ 22 August
Alang, India	:	31 July ~ 8 August | 17 ~ 26 August

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	HSFO (3.5%)	MGO (0.1%)
SINGAPORE	612	506	720
HONG KONG	608	512	721
FUJAIRAH	609	494	824
ROTTERDAM	564	497	720
HOUSTON	589	479	751

EXCHANGE RATES			
CURRENCY	July 26	JULY 19	W-O-W % CHANGE
USD / CNY (CHINA)	7.24	7.26	+0.28%
USD / BDT (BANGLADESH)	117.48	117.48	0
USD / INR (INDIA)	83.72	83.73	+0.01%
USD / PKR (PAKISTAN)	278.34	278.28	-0.02%
USD / TRY (TURKEY)	33.09	33.02	-0.21%

Sub-Continent and Turkey ferrous scrap markets insight

The Sub-Continent imported ferrous scrap market saw range-bound activity this week. Indian buyers largely remained inactive due to unviable price levels, turning to domestic scrap instead. In Pakistan, demand for imported scrap was moderate with limited inquiries, influenced by a slowdown in the domestic steel market. Bangladesh's scrap demand was affected by partial network connectivity issues, hampering supplier connections.

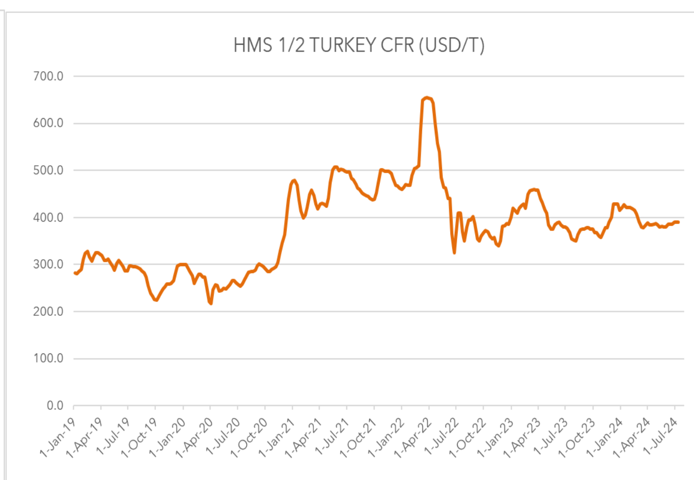
Indian buyers showed inactivity in the imported scrap market due to current price levels being unfeasible. They preferred domestic scrap for its cost-effectiveness. Indicative offers for shredded scrap from the US and UK/Europe were reported at US$410-415 per ton CFR Nhava Sheva, with no bids at these prices. HMS (80:20) offers from West Africa and UK/Europe were assessed at $385-395 per ton CFR.

In **Pakistan**, the demand for imported scrap was moderate, with limited inquiries amidst a slowdown in the domestic steel market. This was due to squeezed margins and delayed payments. Indicative offers for shredded scrap from the UK/Europe were assessed at US$425-430 per ton CFR, while offers from the UAE were at US$435-440 per ton CFR.

Bangladesh's demand for imported scrap was impacted by partial network connectivity issues, limiting supplier connections. Market participants reported that limited internet access hindered interactions. A couple of offers from the US were received at US$410 per ton CFR for HMS containers and US$415 per ton CFR from Australia. Shredded scrap from Australia was offered at US$430-435 per ton CFR, but buyers showed interest only at US$425-427 per ton CFR. PNS offers from Malaysia and Hong Kong were at US$448-450 per ton CFR, with little interest from Dhaka mills.

Turkish deep-sea imported ferrous scrap prices remained range-bound with a bearish near-term outlook due to a weak global finished steel market. Offers for HMS (80:20) scrap from the US were heard at US$389 per ton CFR. The bearish sentiment was driven by weak demand for Turkish finished steel, both domestically and for export, and a recent decline in billet prices, an alternative input for rebar production. Turkish mills have imported a significant amount of billets, impacting demand for September scrap shipments. EU recyclers' holidays and low scrap supply kept prices firm, counterbalanced by lack of demand.

HMS 1/2 & Tangshan Billet



Commodities

Iron ore prices have fallen below US$100 per ton, driven by disappointing outcomes from China's recent policy meeting and robust supply conditions. The Third Plenum, a significant gathering of Communist Party officials, failed to introduce major stimulus measures or address the property crisis, leaving investors underwhelmed.

This year has seen iron ore prices plummet by over 25%, making it one of the worst-performing major commodities. The global seaborne market is experiencing a surplus, evidenced by swelling stockpiles at ports. Analysts attribute the price decline to weak steel product demand and the absence of unexpected policy measures from China.

The price drop has significantly impacted mining companies' stock values, with Australia's BHP Group Ltd. reaching its lowest share price since November 2022. This downturn is further exacerbated by a selloff in copper markets.

Iron ore futures also fell amid persistent concerns over demand. Steel inventories at Chinese mills increased by 5.84% to 16.3 million tons in mid-July compared to early June, according to data from the China Iron & Steel Association. This rise underscores the ongoing weakness in the steel market, driven by a slump in construction activity within the Chinese property sector.

Copper prices fell below USD 9000/t during the Asian session amid increasing pessimism regarding the demand outlook. After reaching a record high in May, prices have steadily declined. The selling intensified following the Third Plenum in China, as the market was disappointed by the lack of policy measures to counteract weakening economic growth. Former bullish investors have been forced to close their positions, pushing copper into oversold territory. However, prices rallied late in the session after better-than-expected economic data was released in the US.

Aluminum found some support following the release of China’s new emissions reduction plan, which may lead to smelter capacity cuts. According to the plan, smelters must meet baseline efficiency levels by 2025 or face closure. This support was short-lived, however, with prices dropping sharply near the close of the session.

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)	101	-6.48%	-13.67%	108	117
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	104	-6.30%	-9.56%	111	115

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	412.80	+0.25	+0.06%	Sep 2024
3Mo Copper (L.M.E.)	USD / MT	9,122.00	+18.00	+0.20%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,270.50	-30.00	-1.30%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,681.00	-4.00	-0.15%	N/A
3Mo Tin (L.M.E.)	USD / MT	29,416.00	-374.00	-1.26%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	78.42	+0.14	+0.18%	Sep 2024
Brent Crude (ICE.)	USD / bbl.	82.50	+0.13	+0.16%	Sep 2024
Crude Oil (Tokyo)	J.P.Y. / kl	83,270.00	-170.00	-0.20%	Jul 2024
Natural Gas (Nymex)	USD / MMBtu	2.06	+0.01	+0.69%	Aug 2024

Note: all rates as at C.O.B. London time July 26, 2024

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