



# WEEKLY REPORT

## WEEK 37 – September 14, 2024

The United States and the United Kingdom have both taken decisive actions to tighten their grip on Russia's maritime activities in light of the ongoing conflict in Ukraine. The US Treasury's Office of Foreign Assets Control (OFAC) has expanded its shipping sanctions list, adding nine Russian-flagged vessels accused of transporting weapons from Iran to Russia.

Deputy Treasury Secretary Wally Adeyemo emphasised the gravity of the situation, stating that this move is a direct response to Iran's decision to supply ballistic missiles to Russia for use against Ukraine.

Meanwhile, the UK has taken parallel action by imposing sanctions on 10 ships believed to be part of Russia's "shadow fleet." These vessels have been actively engaged in transporting large quantities of Russian oil.

In China, the economy slowed in August, with activity cooling across various sectors and casting doubt on the government's annual growth target. Industrial output rose by 4.5% year-on-year, below the forecasted 4.7%, marking a fourth consecutive month of deceleration—the longest stretch since September 2021. Retail sales growth was also disappointing, rising by 2.1% and missing economists' expectations of 2.5%.

Fixed asset and property investments further contributed to the gloomy outlook, with fixed-asset investment growth slowing to 3.4% for January–August, down from 3.6% in the first seven months. Property investment contracted by 10.2% in the same period.

The continued slowdown in industrial production, once considered the more resilient sector, underscores mounting challenges in reviving domestic demand. Economists suggest the government may miss its 5% growth target for 2024 unless substantial stimulus measures are introduced.

The National Bureau of Statistics highlighted rising external pressures and domestic demand shortfalls in a statement accompanying the data release. President Xi Jinping urged officials to implement existing economic policies to meet full-year goals, while the People's Bank of China signalled readiness for additional measures to combat deflation and bolster economic recovery.

## Dry Bulk

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The Baltic Exchange Index declined on Thursday, primarily due to losses in the Capesize segment. The overall index fell 36 points to 1,927, with the Capesize index declining by nearly 150 points to 3,225. Average daily earnings for Capesize vessels also decreased by approximately US\$1,200 to US\$26,750 a day.

Panamax rates also saw weakness, with the index falling 46 points to 1,402 points and daily earnings dropping US\$400 to US\$12,600's a day. In contrast, the Supramax index climbs slightly to 1,263 points.

While the Capesize market has demonstrated remarkable resilience this year, the Panamax segment is struggling near year-low. The iron ore market is facing its worst fundamentals in years. Chinese imports may struggle to maintain current levels due to record-high inventories and a weak economic outlook. This week saw Chinese steelmakers stockpiling iron ore at favourable prices in preparation for the National Day holiday. The current market fundamentals suggest a fragile balance. While a stronger market in the coming months would be surprising, any weakness could be readily explained by the current market conditions.

### **Capesize:**

The Capes saw weakness across all routes this week. The Pacific is experiencing mixed trends. While there is a steady influx of cargo from East Australia, the market is seeing downward pressure due to an accumulation of vessels. Pacific r/v close the week at US\$29,500's a day. Similarly, the Brazilian market also faced challenges. An uptick in of ballast vessels within the region led to a decline in rates with Brazil r/v closing lower at US\$27,000's a day.

### **Panamax/Kamsarmax:**

In the North Atlantic, the steady influx of coal shipments continues, with demand for grain from the USG providing additional support to the market. South America is also seeing a notable increase in inflow, consistently absorbing ballast vessels within the region. Brazil r/v close the week at US\$13,300's a day. The Pacific on the other hand, is facing some limitations on rate increases. With China and other East Asia approaching holiday next week, owners who have yet to secure their next fixture are urgently lowering their asking rates.

### **Supramax/Ultramax:**

Despite ongoing weakness in South American trade, the Atlantic market is maintaining

an upward trend, primarily supported by sustained vessel demand for grain shipments from the USG. This continued demand is providing crucial support to the market, helping to drive rates higher. T/A saw rates closing higher than last at US\$19,380's a day. Similarly, the Pacific is experiencing a positive trajectory. The region benefits from a widespread influx of cargoes, fueling the climb in freight rates. Pacific r/v close at US\$13,900's a day.

### **Handysize:**

Rates in the Handy saw improvements in the routes despite minimal activities across. Pacific saw rates climb from an influx of cargoes spilling over to the smaller segment. Inter Pacific close the week at US\$10,450's a day. Similar was also reflected in the Atlantic with T/A route closing at US\$11,000's a day.

## **Baltic Exchange Dry Bulk Indices**

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,927	1,941	1,340	-0.72%	+43.81%
BCI	3,089	3,356	1,512	-7.96%	+104.30%
BPI	1,402	1,294	1,642	+8.35%	-14.62%
BSI	1,263	1,260	1,196	+0.24%	+5.60%
BHSI	709	724	624	-2.07%	+13.62%

## **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	44	38	28	18
SUPRAMAX	56,000	35	41	36	27	16
HANDY	38,000	30	35	28	21	12

\*(amount in USD million)

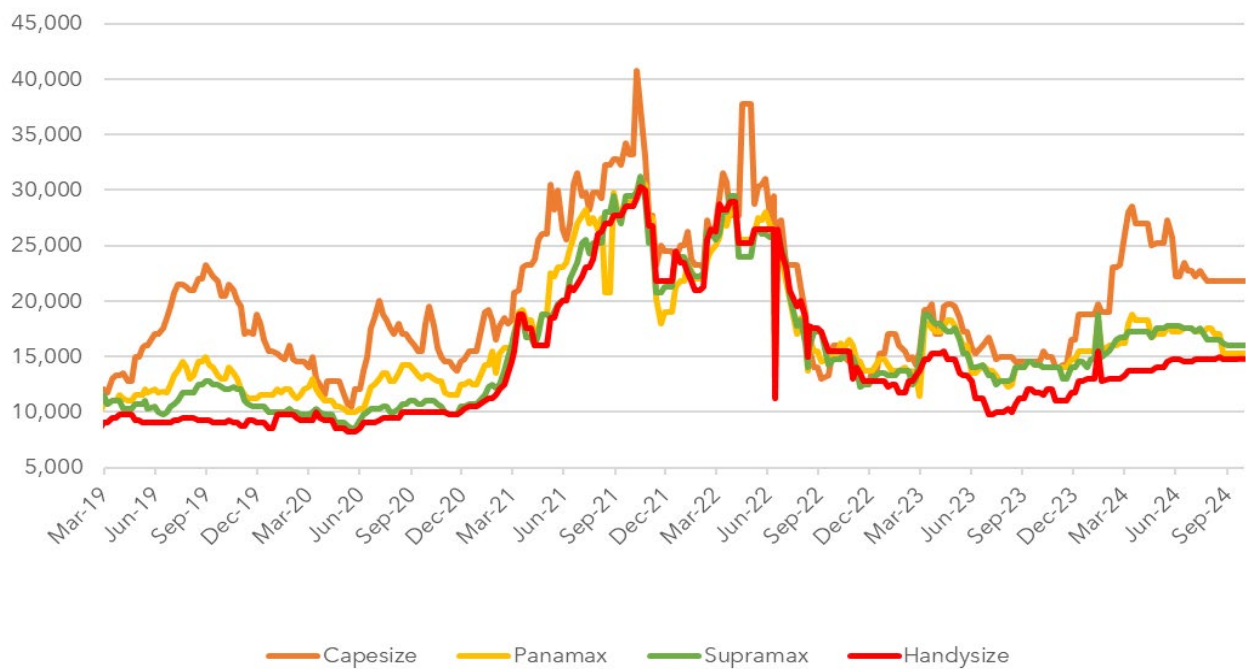
## **Bulker 12 months T/C rates average (in USD/day)**

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
CAPE SIZE	180,000	23,700	23,500	14,500	+0.85%	+63.45%
PANAMAX	75,000	14,000	14,000	13,000	0	+7.69%
SUPRAMAX	58,000	14,500	14,750	12,250	-1.69%	+18.37%
HANDYSIZE	38,000	14,000	14,250	11,500	+1.75%	+21.74%

## Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
AZURE OCEAN	CAPE	180,184	2007	JAPAN	25.0	CHINESE BUYERS
NORD MAGNES	CAPE	179,546	2011	PHILIPPINES	31.5	CHINESE BUYERS
ALPHA PRUDENCE	CAPE	178,002	2008	CHINA	24.75	CHINESE BUYERS
STAR TRIUMPH	CAPE	176,343	2004	JAPAN	20.0	UNDISCLOSED
AMIS MIRACLE	UMAX	62,601	2018	JAPAN	34.35	BAHRI
TITAN I	SMAX	58,090	2009	PHILIPPINES	16.0	GURITA LINTAS SAMUDERA
SPARNA	SMAX	54,881	2006	JAPAN	14.0	CHINESE BUYERS
ZHE HAI 362	HANDY	35,091	2010	CHINA	8.3 (AUCTION)	UNDISCLOSED
ZHE HAI 161	HANDY	33,478	2007	CHINA	6.0 (AUCTION)	UNDISCLOSED
MAPLE FORTITUDE	HANDY	32,544	2011	CHINA	11.0	UNDISCLOSED
TRANSFORMER OL	HANDY	28,375	2009	JAPAN	9.2	VIETNAMESE BUYER
GLOBE EXPLORER	HANDY	28,316	2015	JAPAN	14.2	UNDISCLOSED

### Dry Bulk 1 year T/C rates



## Tankers

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The tanker market navigated choppy waters in August, according to OPEC's latest monthly report.

VLCC owners saw renewed hope in early September as signs of recovery emerged after a prolonged downturn. The Arabian Gulf region, which had previously plummeted to yearly lows, is now showing promising indications of a turnaround. The Atlantic is also showing signs of improvement, with rates for the WAFR/China route rising in late-week activity.

Suezmax on the other hand, weathered a challenging month, with rates sliding across the board. A glimmer of hope appeared late in August as the market balance improved, but it was not enough to offset earlier losses. USG/Europe bore the brunt, plummeting 23%.

Meanwhile Aframax fared no better, with X-Med route falling 11%, feeling the pinch from waning North African demand.

All eyes are on whether the autumn season will bring fresh winds to fill the tankers' sails or if the market will continue to drift in the doldrums of softer demand.

### **VLCC:**

The MEG market has begun to rebound after reaching a yearly low to Far East. The recovery is driven by increased demand from West Africa and the Atlantic, coupled with owners' resistance to low rates. 270,000mt MEG/China climbed to WS54. Similar was also noted in Atlantic with WAFR/China closing higher at WS57.

### **Suezmax:**

The Suezmax segment saw a mixed week. The USG market, which previously drove the segment's rise, has weakened, leading to rate declines in most Western markets including West Africa, the Mediterranean, and the Black Sea. Nigeria/UKC route for 130,000mt fell a point short to WS78. MEG/India route, however, saw an uptick, benefiting from positive sentiment in the VLCC's upward turn.

### **Aframax:**

The Aframax market maintained a slightly bearish trend throughout the week due to available tonnage despite sluggish demand. In the Med region, 80,000mt Ceyhan/Lavera gain 20 points to WS120. Meanwhile, in the Atlantic, the market softened slightly at closing. 70,000mt Covenas/USG fell to WS97.

## Clean:

LR: The Middle East market had been on a downward trend since early August. However, this week saw an increase in activity in the region. LR2 saw a slight climb this week with TC1 closing at WS126. In the LR1 segment, similar sentiment was also noted with TC5 improving this week to WS149.

MR: The Far East market closed with a slightly bearish tone, lacking significant fixtures. Few MR cargoes shifted to LR2 vessels for backhaul voyages leading to the decline. On the UKC, TC2 saw improvements this week compared to last with MRs in the region climbing 15 points to WS135. Overall, a mixed week for this size.

## Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	883	870	733	+1.49%	+20.46%
BCTI	618	585	852	+5.64%	-27.46%

## Tankers Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	129	146	116	86	58
SUEZMAX	160,000	90	99	83	68	50
AFRAMAX	115,000	75	86	72	62	44
LR1	73,000	62	68	58	48	32
MR	51,000	52	53	50	41	28

\*(amount in USD million)

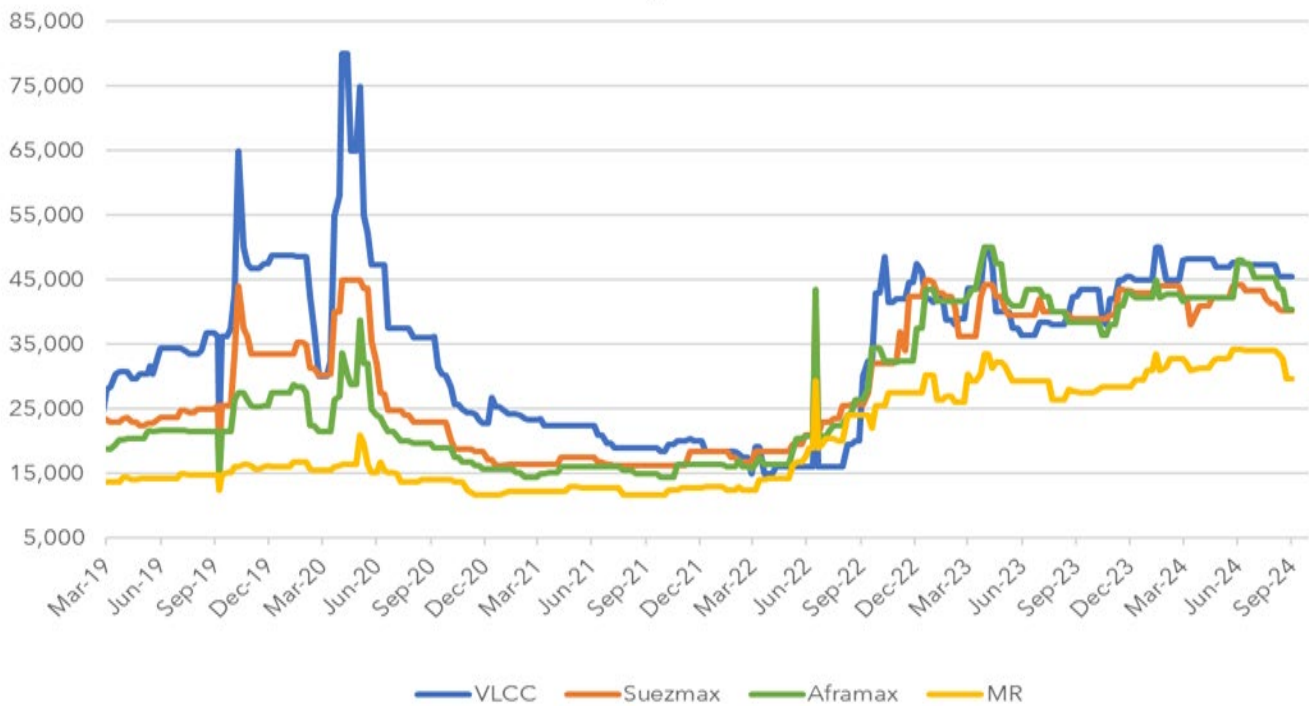
## Tanker 12 months T/C rates average (in USD/day)

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
VLCC	310,000	44,000	44,000	43,500	0	+1.15%
SUEZMAX	150,000	40,250	40,250	38,750	0	+3.87%
AFRAMAX	110,000	37,500	37,500	38,500	0	-2.60%
LR1	74,000	35,000	35,000	28,750	0	+21.74%
MR	47,000	26,500	26,500	25,500	0	+3.92%

## Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
PLANET PEARL	AFRA	105,699	2005	JAPAN	29.0	MALAYSIAN BUYERS
INF LIGHT	LR1	72,735	2006	CHINA	17.0	CHINESE BUYERS
TENACITY	MR	50,143	2014	CHINA	40.0	AERIO SHIPMGMT
PIONEER	MR	49,000	2005	S. KOREA	18.0	UNDISCLOSED
ULRIKEN	MR	33,888	2006	JAPAN	26.6	CHINESE BUYERS / SS
LYDERHORN	MR	33,849	2006	JAPAN	26.6	CHINESE BUYERS / SS
FORTUNE SWAN	PROD / CHEM	11,260	2006	S. KOREA	9.2	UNDISCLOSED

### Tanker 1 year T/C rates



## Containers

The container shipping market experienced another turbulent week as freight rates continued their downward spiral. The SCFI fell sharply, dropping 8% from the previous week to reach 2,511 points. This decline marks a significant 33% decrease from the recent peak in July and pushes the index to its lowest level since early May.

Leading the downturn was the crucial Shanghai-North Europe route, which saw an even steeper decline. Rates on this key trade lane plummeted by 18% w-o-w, settling at US\$2,841 per TEU.

### Containers S&P Report

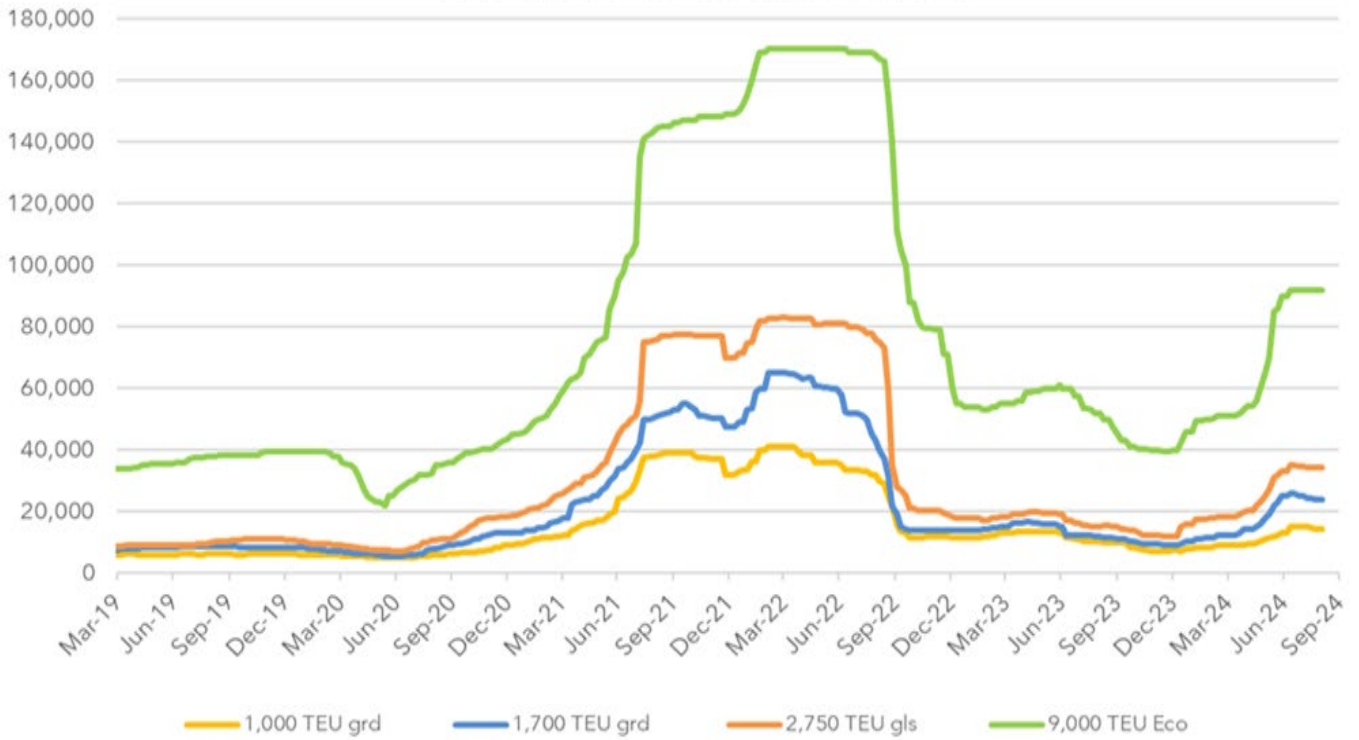
VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
BUXFAVOURITE	SUB PMAX	2,456	1997	S. KOREA	10.0	CHINESE BUYERS
SFT CHINA / SFT SAUDI / SFT TURKEY / SFT EGYPT	PMAX	4,389 ~ 3,963	2001 ~ 2003	S. KOREA	N/A	MSC

### 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	19	15
2,700 – 2,900	Gearless	41	43	34	27	23
5,100	Gearless	81	77	66	35	32

\*(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)	490 ~ 500	480 ~ 490	480 ~ 490	510 ~ 520	STABLE / 
CHATTOGRAM, BANGLADESH	500 ~510	480 ~ 490	470~ 480	510 ~ 520	WEAK / 
GADDANI, PAKISTAN	490 ~ 500	480 ~ 490	470 ~ 480	510 ~ 520	WEAK / 
<b>TURKEY</b> <i>*For Non-EU ships. For E.U. Ship, the prices are about USD 20-30/ton less</i>	330 ~ 340	320 ~ 330	310 ~ 320	330 ~ 340	WEAK / 

- 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

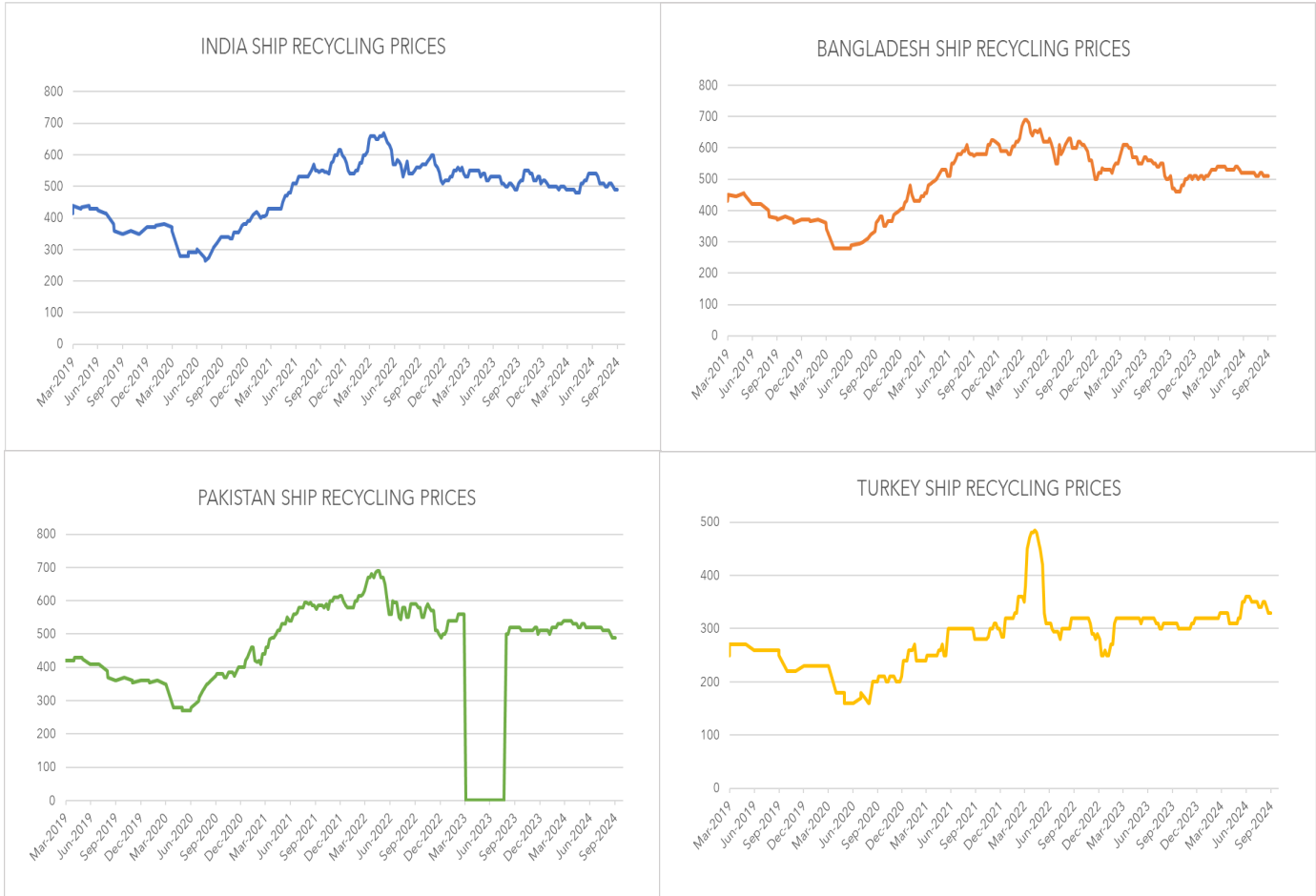
(Week 37)

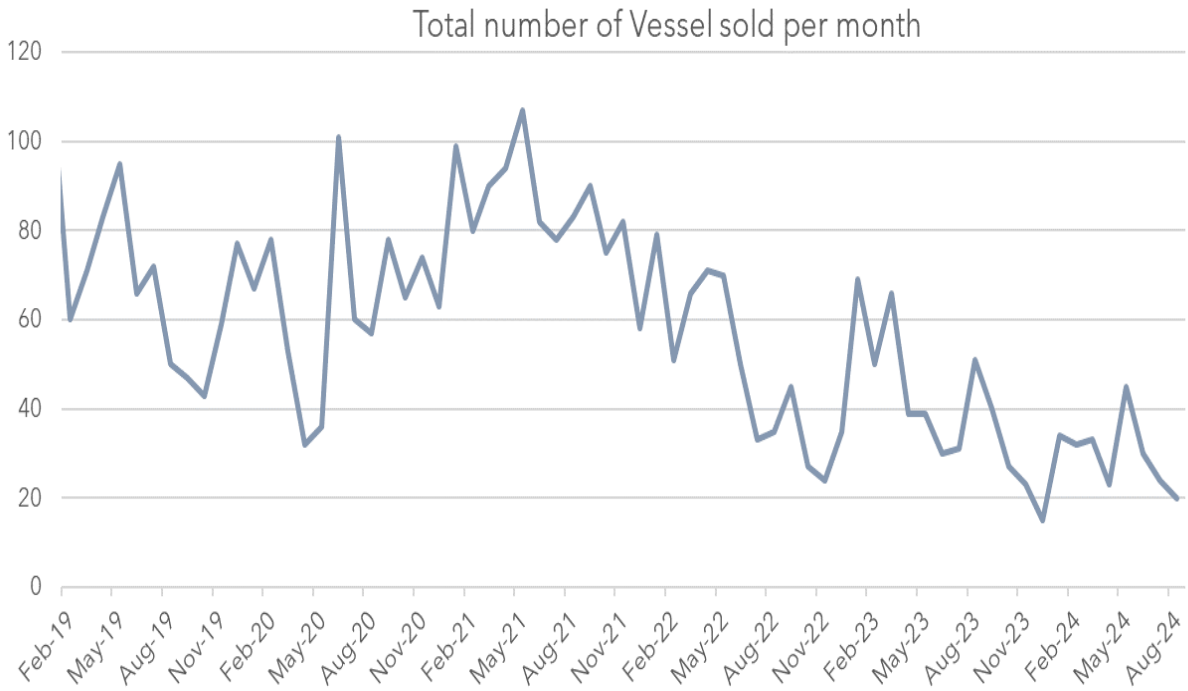
DESTINATION	2019	2020	2021	2022	2023
ALANG, INDIA	425	270	690	570	530
CHATTOGRAM, BANGLADESH	420	300	670	590	565
GADDANI, PAKISTAN	410	305	740	580	530
ALIAGA, TURKEY	270	210	210	300	325

## Ships Sold for Recycling

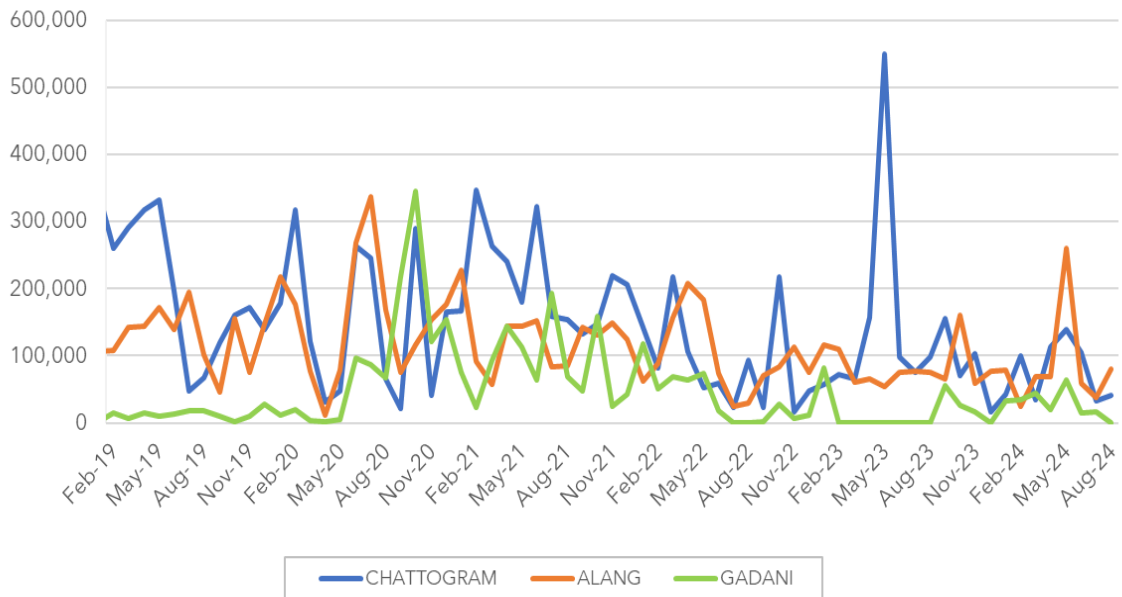
VESSEL NAME	LDT	YEAR / BUILT	TYPE	PRICE (USD/LDT LT)	COMMENTS
CORAL ENERGY	30,194	1979 / USA	LNG	562	AS IS LABUAN, MALAYSIA, WITH ABOUT 3700 MT ALUMINUM CONTENT
AQUILA	8,481	1999/S.KOREA	TANKER	525	AS IS OMAN

## Recycling Ships Price Trend

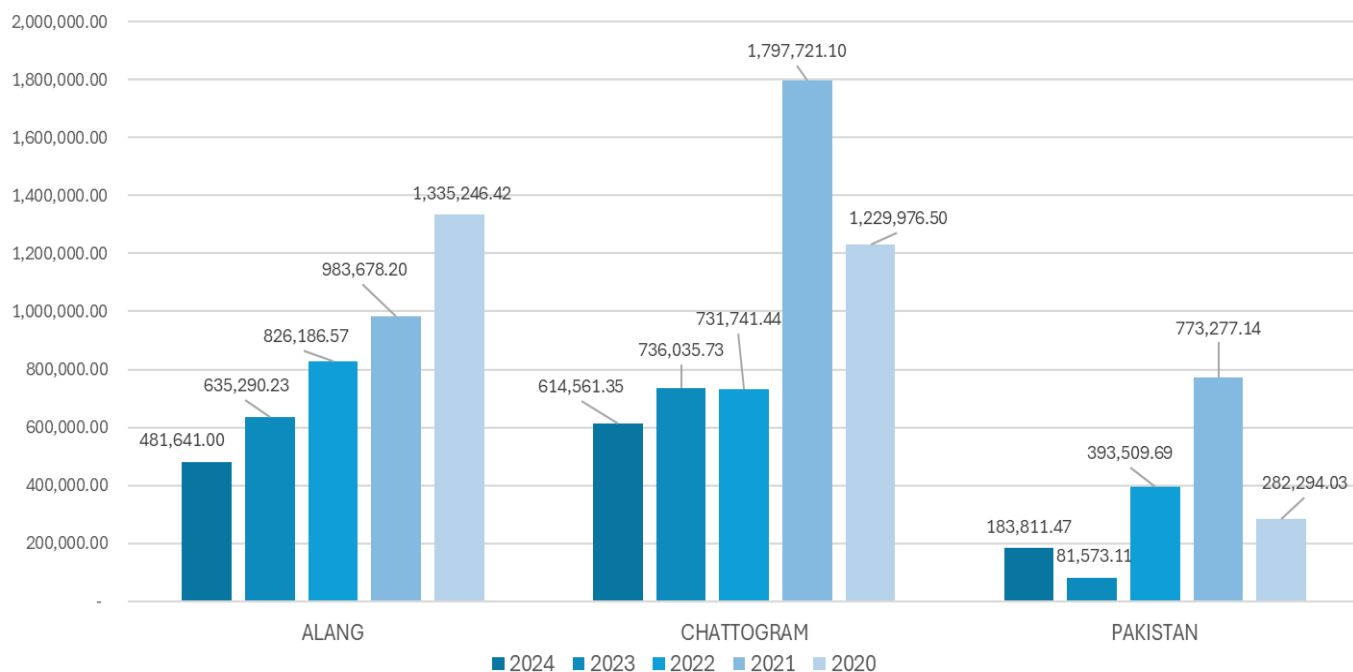




### Sub-continent total Light Displacement Tonnage in metric tons



### COMPARISON OF TOTAL LIGHT DISPLACEMENT TONNAGE (LDT) SOLD 5 YEARS (January ~ August)



## Insight

The ship recycling market in the Indian Subcontinent remains subdued, with recyclers largely refraining from making offers due to fluctuating domestic scrap prices. On the ship supply side, ship availability continues to be limited, with only a handful of vessels being offered for recycling. However, there is some optimism on the supply side as discussions have emerged around the potential forward deliveries of larger, older capesize bulk carriers, VLCC and LNG carriers. Despite this, market enthusiasm for these prospects remains lukewarm.

The ship recycling markets have reached a turning point, as most recyclers struggle to accurately price vessels amid a shortage of ships that would otherwise help establish true market values. Despite prevailing prices being considered high based on domestic fundamentals, recyclers are paying a premium to fulfil their commitments to the banks and maintain yard operations.

This week, an interesting sale of Sinokor Maritime's LNGC tanker built in 1979 in the USA weighing about 30,195 tons with significant quantities of aluminium, about 3700 tons, was reported sold at USD16.8 million (i.e. about USD562/long tons) in Labuan, Malaysia, where she has been laid up since 2017. However, it will be very interesting to see in the present markets her actual resale value at Chattogram or Alang or Gaddani.

## Alang, India

The domestic ship scrap markets, which showed signs of stabilising last week, took a sharp downturn, accelerating declines and triggering panic among recyclers. The ship scrap melting prices dropped by 3.52% and melting about 3% just W-O-W.

Indian recyclers are facing intense pressure from low-cost steel imports, making it difficult to stay competitive in the domestic market. There is a clear disconnect between current ship recycling prices and underlying market fundamentals. Market experts believe that a significant price correction seems necessary to revive industry sentiment, the scarcity of available ships has kept prices artificially elevated, prolonging market uncertainty.

No fresh sale for Alang was reported this week, and going forward with the way the situation is, a lot of recyclers have decided to stay put when it comes to offer, and they would like to assess the situation before they can resume.

### Anchorage & Beaching Position (September 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
IVAN MOSHLYAK	FISHING SHIP	914	07.09.2024	AWAITING
BEREG MATCHY	REEFER	7,263	26.08.2024	AWAITING*
ELA	BULKER	8991	03.09.2024	05.09.2024

## Chattogram, Bangladesh

The local ship scrap market continues its downward slide, with no relief in sight as domestic sales slow further. Competition from imported ferrous scrap has intensified, with imported materials now priced lower than ship scrap, adding to the industry's challenges. The ongoing domestic price correction has dragged the sector into a severe bear market.

Recyclers are holding back from making offers at current levels, anticipating further price drops. The market appears to be heading toward 2019 price levels to realign with underlying fundamentals. In a notable development, several Chinese-owned ships bound for Chattogram have been placed on hold as owners grapple with the sudden price collapse. There is cautious optimism that the market may rebound once the current turbulence settles.

This week, the Bangladesh Ship Breakers and Recyclers Association (BSBRA) issued a letter on September 10 addressing the verification of permanent ballast in imported scrap ships. This letter was directed to yard owners and industry stakeholders and highlights discrepancies between MOAs and actual ship conditions.

Despite MOAs often stating no permanent ballast, its presence during cutting has led to financial losses due to Light Displacement Tonnage shortages and caused misunderstandings between parties.

To resolve this issue, BSBRA recommends a joint inspection by importing and selling authorities or their representatives before vessel cutting, regardless of MOA statements. This measure aims to accurately determine permanent ballast presence, thereby protecting all parties' interests in the ship recycling process.

Usually, the tendency in the industry is that the Sellers who deny the facts based on such reports would face difficulties in future, leading to blacklisting from Selling ships to Bangladesh.

### Anchorage & Beaching Position (September 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
SERENITY 1	BULKER	6,352	07.09.2024	AWAITING
SIA 21	CONTAINER	3,957	22.08.2024	AWAITING
UNIPROFIT	GENERAL CARGO	3,023	02.09.2024	07.09.2024
TAO (UNDER TOW)	DRILL-SHIP	18,460	31.08.2024	06.09.2024
SU ZHOU HAO	ROPAX	5,903	23.08.2024	04.09.2024
SP 19	CONTAINER	1,662	23.08.2024	04.09.2024
FERRY HAYATOMO 2	RORO	4,190	29.08.2024	04.09.2024
SURYA A (UNDER TOW)	LNG	8,1680	02.09.2024	04.09.2024

### Gadani, Pakistan

The ship recycling market in Gadani remained subdued this week, with little to no significant developments. The ongoing volatility in imported ferrous scrap prices, which continue to decline sharply, has further fueled market uncertainty.

Similar to the situations in India and Bangladesh, Pakistan’s recycling industry is grappling with the influx of cheap steel imports, which are causing considerable disruption in the sector.

Additionally, a severe shortage of ships has left many yards vacant, a situation that, for now, is helping to sustain elevated ship prices.

### Anchorage & Beaching Position (September 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

### Aliaga, Turkey

This week Turkish steel mills have maintained their domestic scrap buying prices at levels consistent with the previous week. While no new sales were reported, negotiations continue, with some transactions closing at market levels being kept confidential.

The euro continues to weaken against the dollar, reaching US\$1.101 on Wednesday compared to US\$1.106 the previous week. While this benefits European exporters, they still face challenges due to the weak inflow at €285 per ton delivered. As a result, those in need of material are compelled to increase their dock buying prices to compensate for the euro's depreciation.

Turkish mills have yet to fulfill their requirements for October-shipment scrap cargoes. The domestic rebar demand, which was lively at the beginning of last week, has shown no signs of recovery after softening in the latter half of the week. Shipbreaking scrap prices remained at US\$365 per ton delivered. The Turkish lira was valued at 33.94 to the dollar at the close of week.

#### BEACHING TIDE DATES 2024

Chattogram, Bangladesh : 17 – 20 September | 1 – 4 October

Alang, India : 15 – 24 September | 3 – 8 October

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	HSFO (3.5%)	MGO (0.1%)
SINGAPORE	614	470	684

EXCHANGE RATES				
CURRENCY	September 13	September 6	W-O-W % CHANGE	
USD / CNY (CHINA)	563 7.09	464 7.08	-9.14%	
USD / BDT (BANGLADESH)	502 119.51	402 119.51	0	
USD / INR (INDIA)	507 83.91	414 83.97	+0.07%	
USD / PKR (PAKISTAN)	278.19	278.39	+0.07%	
USD / TRY (TURKEY)	33.94	33.98	+0.12%	

### Sub-Continent and Turkey ferrous scrap markets insight

Scrap markets across the Indian Sub-Continent and Turkey continued to struggle this week, with weak demand and a cautious stance from buyers characterising the region. In India, the availability of cheaper domestic scrap, coupled with sluggish finished steel sales, kept mills away from imported material. Meanwhile, Pakistan's steel mills scaled back production due to an excess of rebar inventory, and Bangladesh saw limited activity as mills grappled with overstocked scrap and financing difficulties. Despite competitive offers for bulk scrap, hesitant buyers kept market activity muted. In contrast, Turkey's scrap prices held steady, though potential downward pressure looms with the arrival of billet shipments and expectations of slow rebar sales in October.

**Indian** buyers remained largely absent from the market for imported scrap this week, with sluggish finished steel sales and the availability of cheaper domestic scrap curbing demand. Steel mills have significantly reduced scrap consumption, preferring local materials due to their competitive pricing.

A steel mill source highlighted the challenging market conditions, explaining that the market remains sluggish and is expected to stay within a narrow range. Finished steel inventories are high, and the expected government funding for infrastructure projects has not yet materialised, adding further strain on demand.

Meanwhile, mounting concerns amongst the traders heightened as the sales were made at minimal margins and, to some, even at losses. The indicative offers for shredded scrap from the US and Europe ranged from US\$385-390/ton CFR Nhava Sheva, with HMS (80:20) offers at US\$370-375/ton.

In **Pakistan**, demand for imported scrap remained moderate as domestic steel mills scaled back production in response to a glut of rebar inventory. Several mills have halted production entirely, citing unsold stock as the reason for reduced scrap consumption.

A steel mill official confirmed the production slowdown, explaining that operations have been halted due to an excessive backlog of steel inventory. The mill currently holds

approximately 8,000 to 9,000 tons of unsold rebar, which has contributed to the decision to pause production until the inventory is cleared.

Offers for shredded scrap from the UK and Europe were reported in the US\$395-405/ton CFR Qasim range, with some deals closing around US\$390-395/ton as suppliers faced pressure from weak demand.

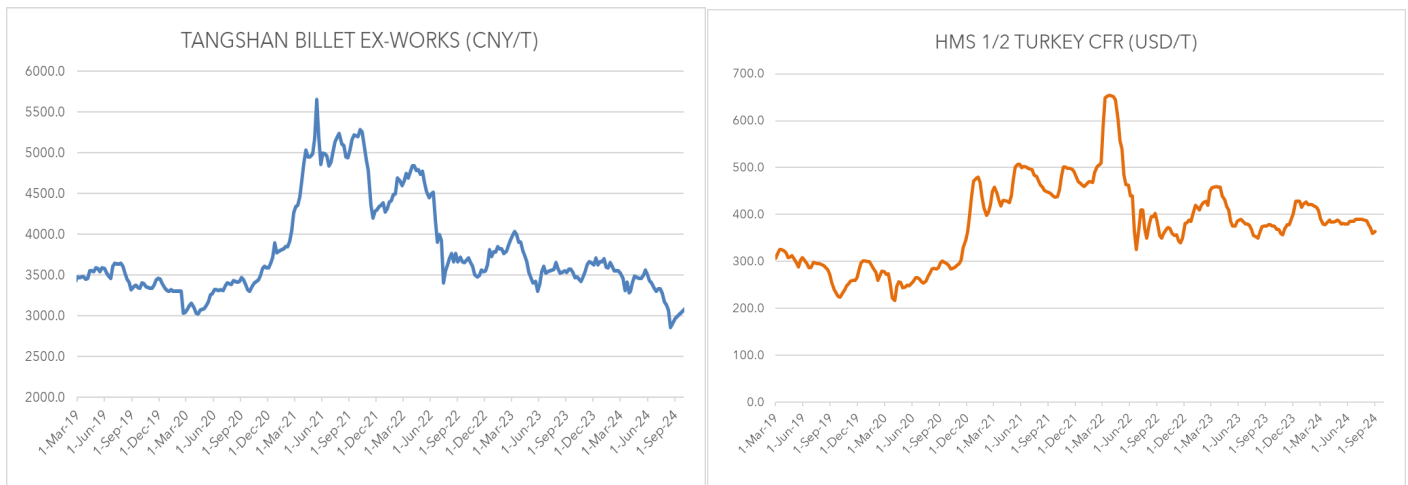
**Bangladesh's** scrap market saw limited movement this week, with demand significantly reduced. Larger steel mills remained absent from the market, having sufficient scrap inventories to last through the third quarter, while smaller mills struggled with financing issues.

Despite attractive offers for bulk scrap, such as US HMS at US\$385-390/ton, buyers were hesitant due to overstocked inventories and letters of credit challenges. Market activity is expected to pick up by mid-October as the impact of the monsoon wanes and new projects may get approval.

In **Turkey**, deep-sea imported ferrous scrap prices remained stable this week. HMS (80:20) from the US was assessed at US\$370/ton CFR, with EU-origin scrap priced slightly lower at US\$365-366/ton. Rising collection costs in regions such as Benelux kept sellers firm on pricing, but Turkish mills showed little urgency to buy.

Market participants noted that slow rebar sales or the arrival of previously booked billets could apply downward pressure on scrap prices in the coming weeks. For now, however, market conditions remain balanced, with no immediate factors driving prices up or down.

## HMS 1/2 & Tangshan Billet



## Commodities

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**Iron ore** prices plummeted below US\$90/ton for the first time since 2022, as industrial commodities faced persistent pressure from sluggish Chinese demand and mounting concerns over global economic growth.

The raw material's futures have plunged by more than a third this year, primarily due to an ongoing steel crisis in China threatening demand. This downturn is part of a broader trend, with base metals and crude oil also experiencing declines in recent weeks, making 2024 a turbulent year across the commodities sector. Analysts noted a shift in investor focus from U.S. inflation to growth concerns, citing China's lack of significant stimulus support and prevailing market pessimism. The cautious sentiment in metals was further emphasised by Goldman Sachs's substantial reduction of its bullish copper forecast, largely attributed to weak Chinese demand.

Analysts predict further declines in iron ore futures on China's Dalian Commodity Exchange, with expectations of testing 600 yuan (US\$84) a ton, more than 10% below current levels.

Citi's metals analysts suggested that the uncertain U.S. election outcome and the risk of renewed trade tensions under a potential Trump administration were influencing China's decision to delay a stronger policy response. This hesitation comes as China's core inflation recently cooled to its weakest level in over three years, signaling persistent weak demand in the world's second-largest economy.

This week, **copper** led gains in the base metals sector, driven by signs of strengthening demand from China. Following a sharp rise in July, inventories at Shanghai Exchange warehouses have begun to decline, while premiums for refined copper in China have started to increase.

**Aluminium** prices also saw a boost as rising raw material costs heightened concerns about reduced output. Alumina prices have surged by 50% this year, reaching their highest levels since March 2022, though aluminium prices remain largely flat year-to-date. Smelters without their own alumina supplies are facing financial strain as a result. Additionally, the risk of trade disruptions grew after reports surfaced that President Putin has asked the Russian government to consider restricting exports of key commodities like nickel and titanium, in retaliation for Western sanctions.

## 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)	95	+4.39	-22.76	91	123
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	97	+12.79	-23.01	86	126

## Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	420.70	+1.15	+0.27%	Dec 2024
3Mo Copper (L.M.E.)	USD / MT	9,215.50	+125.00	+1.38%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,415.50	+45.00	+1.90%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,856.00	+86.00	+3.10%	N/A
3Mo Tin (L.M.E.)	USD / MT	31,406.00	+462.00	+1.49%	N/A

## Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	69.99	+1.02	+1.48%	Oct 2024
Brent Crude (ICE.)	USD / bbl.	72.87	+0.90	+1.25%	Nov 2024
Crude Oil (Tokyo)	J.P.Y. / kl	64,850.00	-150.00	-0.23%	Sep 2024
Natural Gas (Nymex)	USD / MMBtu	2.39	+0.04	+1.48%	Oct 2024

*Note: all rates as at C.O.B. London time September 13, 2024*



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