



WEEKLY REPORT

WEEK 40 – October 5, 2024

The U.S. economy received a significant boost in September with an unexpected surge in payrolls, adding 254,000 jobs and surpassing the Dow Jones consensus of 150,000. This robust performance has effectively dispelled concerns of an impending recession and strengthened the Federal Reserve's position to achieve a soft landing. The job market's resilience, coupled with a slowing pace of inflation and declining interest rates, has created a favourable macroeconomic environment at a crucial time from both policy and political perspectives.

These strong jobs reports have prompted a shift in market expectations regarding the Federal Reserve's future actions. Futures markets now anticipate a more moderate pace of interest rate cuts, with a quarter-point reduction likely in November and December, rather than the previously expected half-point cut in December. The Fed now has the flexibility to carefully navigate its easing cycle, potentially maintaining a slightly higher exit rate while the economy continues to demonstrate strength.

In the shipping world, the big news was from the IMO. Negotiations in London this week brought optimism as member nations of the IMO made progress towards global rules to reduce shipping's carbon emissions. Delegates agreed on a framework for introducing a fuel tax or levy and a global fuel standard to incentivise low-carbon fuel production and use. While progress was welcomed, experts warned that complex negotiations lie ahead before a final agreement is reached in April 2025.

Tristan Smith, from UCL Energy Institute, noted optimism for a levy supporting new technologies but urged patience, highlighting that much work remains. Angie Farrag-Thibault of the Environmental Defense Fund emphasised the importance of a life-cycle emissions fuel standard to ensure a fair transition to clean shipping.

The International Chamber of Shipping welcomed the discussions, noting strong support from member states controlling most of the world's shipping tonnage. However, environmental groups cautioned that key decisions are still pending. Delaine McCullough of the Clean Shipping Coalition stressed the need to strengthen energy efficiency measures to meet the goal of cutting emissions by 30% by 2030. As negotiations continue, attention will focus on ensuring a just and equitable transition for all nations involved.

Dry Bulk

The Baltic Exchange Index continued its downward trend for the third consecutive session on Wednesday. This decline was reflected across all vessel categories.

The overall index, fell by 52 points to 1,978 – its lowest level since September 20th. Capesize vessels saw the most significant drop, with their index decreasing by 125 points to 3,399, touching a one-week low. Average daily earnings decreased by US\$1,042 to US\$28,187. The Panamax index also experienced a decline, dropping 22 points to 1,364. Consequently, average daily earnings fell by US\$204 to US\$12,274. Among smaller vessels, the Supramax index dipped by 11 points to 1,272.

Despite the current downturn, there IS an undercurrent of optimism in the dry bulk sector, particularly in the Capesize. While volatility remains subdued overall, rates continue to show promising momentum.

With current rates hovering around US\$25,000's/30,000's range (this is compared to last year's levels of around US\$15,000's) Capesize spot rates have clearly outperformed their smaller counterparts. Cargo flow for Capes remains strong, with the North Atlantic market catching up as winter approaches.

Capesize:

This week, activity across all routes slowed. The North Atlantic saw a more pronounced decline as cargo influx failed to match vessel supply. This holiday-induced lull in demand impacted routes both directly and indirectly connected to China. T/A saw levels fell to US\$26,200's a day. Pacific also saw rates fall with a lack of activity due to China's national day; levels for r/v closed the week at US\$ 26,620 a day.

Panamax/Kamsarmax:

The Atlantic basin presents a mixed picture, with the North seeing a gradual uptick in grain demand while the South continues to grapple with persistent supply-demand imbalances. Meanwhile, the Pacific basin, despite the lull in activity due to China's holidays, shows resilience. This is primarily driven by cargo demand from Australia, offsetting the temporary slowdown in Chinese trade. Pacific r/v closes the week at around US\$13,000 a day.

Supramax/Ultramax:

Despite cargo influx in the South Atlantic, the region continues to face downward pressure with persistent vessel oversupply in the USG. T/A saw levels fall to US\$ 19,500 a

day. Meanwhile, the Pacific maintains a delicate balance between supply and demand, experiencing a slight decline due to muted fixture activity. Pacific r/v levels remain around US\$14,750's region.

Handysize:

The handy segment saw a mixed week, with the Atlantic seeing discounts in the F/H routes as levels at week's closing around US\$ 14,250. Outlook in the region was less than positive overall, with owners struggling to push for higher levels. Despite holidays in China, the Pacific fared well, with demand seeing an uptick, especially in the S.E. Asia region. The Pacific route was at the level of US\$ 11,600 a day at the close of business.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,928	2,110	1,827	-8.63%	+5.53%
BCI	3,243	3,689	2,982	-12.09%	+8.75%
BPI	1,388	1,446	1,592	-4.01%	-12.81%
BSI	1,258	1,306	1,236	-3.68%	+1.78%
BHSI	712	710	674	+0.28%	+5.64%

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)

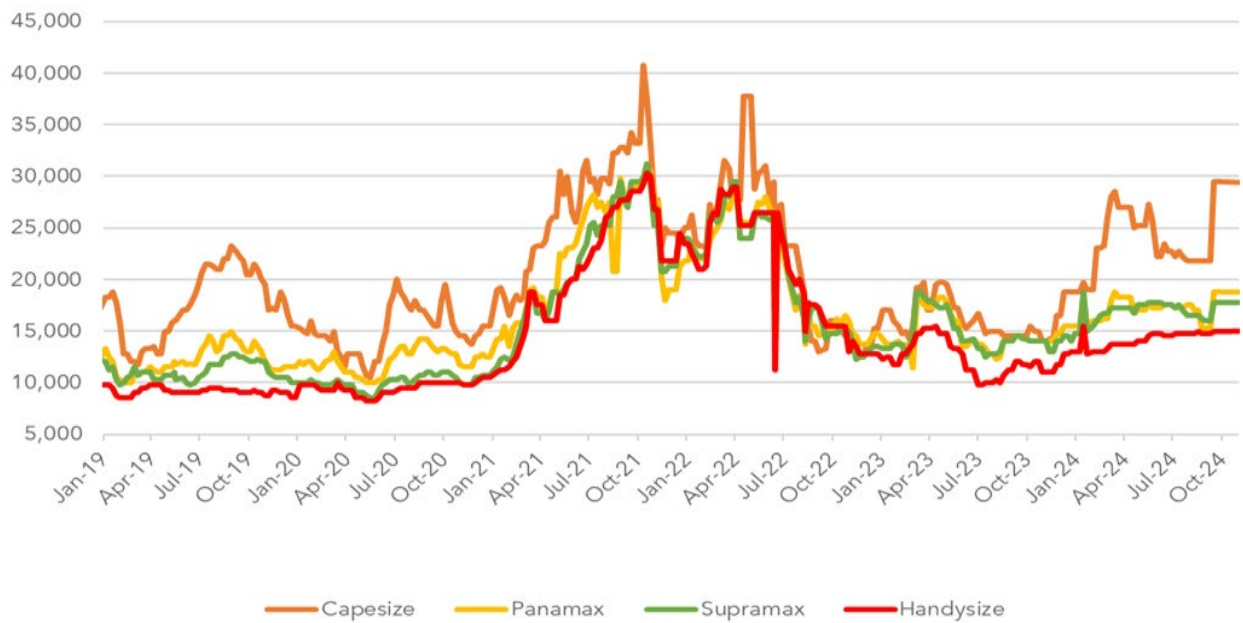
Bulker 12 months T/C rates average (in USD/day)

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
CAPE SIZE	180,000	22,500	22,500	15,000	0	+50.00%
PANAMAX	75,000	14,000	14,000	12,600	0	+11.11%
SUPRAMAX	58,000	15,000	15,000	11,750	0	+27.66%
HANDYSIZE	38,000	14,000	14,500	11,750	-3.45%	+19.15%

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
ORIENTAL NAVIGATOR	CAPE	172,940	1999	JAPAN	12.0	CHINESE BUYERS
LILY ATLANTIC	KMAX	82,171	2009	JAPAN	16.3	NEWPORT
LOWLANDS AMSTEL	UMAX	61,177	2015	JAPAN	26.2	FAR EASTERN BUYERS
KIBALI	SMAX	57,260	2011	S. KOREA	17.0	VIETNAMESE BUYERS
DIVA	SMAX	56,582	2011	CHINA	14.75	COURAGE INVESTMENT
A WISDOM	SMAX	53,503	2007	JAPAN	13.0	GREEK BUYERS
BELLE PLAINE	HANDY	35,485	2014	CHINA	16.5	UNDISCLOSED
LILA PIRAEUS	HANDY	33,324	2010	CHINA	8.65	CHINESE BUYERS
ULTRA TRONADOR	HANDY	32,874	2000	JAPAN	5.0	UNDISCLOSED

Dry Bulk 1 year T/C rates



Tankers

Iran's recent missile attack on Israel has reintroduced a war premium to oil markets, as military escalation in the Middle East impacts global petroleum supplies. Brent crude surged over 5% following the assault, catching bearish speculators off guard and pushing prices above US\$75 a barrel.

The attack and Israel's vow to retaliate have created uncertainty in a region responsible for a third of the world's oil supply. While the market has not fully priced in the risk of further attacks on Iranian oil facilities or potential blockades of the Strait of Hormuz, attention is now focused on Israel's next move.

The potential for escalation could significantly impact oil prices. Analysts suggest that economic sanctions on Iran could drive prices up by US\$7 a barrel, while Israeli strikes on Iranian energy infrastructure could lead to a US\$13 increase. The most severe scenario – a disruption to flows through the Strait of Hormuz – could push prices US\$13 to US\$28 higher.

As the situation unfolds, traders and analysts remain cautious, acknowledging the potential for further price swings while recognizing that recent conflicts have not always resulted in significant supply disruptions.

Meanwhile on the other side, China's exceptional oil demand growth has shown signs of slowing in the recent years, with the IEA significantly downgrading its forecast.

China has recently unveiled its largest stimulus package since COVID-19. This plan includes monetary, fiscal, and liquidity support measures, with a particular focus on revitalising the struggling housing sector. The stimulus has initially been well-received, with the Chinese stock market experiencing a significant uptick.

However, the long-term impact of these measures on oil demand, particularly for the mainstream tanker fleet, remains uncertain. In recent years, much of China's oil import growth has benefited LPG carriers and the shadow fleet, with imports from Russia and Iran surging while those from traditional sources have declined.

VLCC:

After a strong start to the month, with rates exceeding WS60, the market saw a gradual increase in supply with mid-October cargo slowdown. Despite the holidays in China, 270,000mt from MEG fell only lightly to WS58 mark. The Middle East market is expected to remain stable as owners' resists last week's decline. In the Atlantic, rates remain firm with WAFR/China climbing to WS61.

Suezmax:

Following the previous week's little fixture activity, this week saw a tight supply of available vessels especially in the Atlantic region. WAFR/UKC jump some 28 points to WS103 mark. Gains was also seen in the MEG region with 140,000mt to Med via the Suez Canal touching WS100s.

Aframax:

The Middle East market remain stable despite steady fixture activity, due to sufficient vessel availability. In the Med, 80,000mt fared better than last week, with Ceyhan/Lavera route climbing some 30 points to WS145. On the other side, T/A routes also saw gains with USG/UKC gaining almost 100 points to WS220.

Clean:

LR: The LR2 market saw a surge in rates, driven by reduced tonnage following a steady influx of new cargoes at start of week. However, the rate was ultimately moderated by charterers' efforts, splitting LR cargoes. TC1 fell to WS120 while LR1 also saw discounts with MEG routes dropping from last.

MR: In similar fashion to LRs, MR vessels this week showed weakness with various routes declining. In the UKC, TC2 fell slightly but manage to claw up settling at WS90 at close of week. Similar was also seen in MEG though only a modest decline with TC17 at WS178.

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	1,060	860	854	+23.26%	+24.12%
BCTI	497	572	775	-13.11%	-35.87%

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)

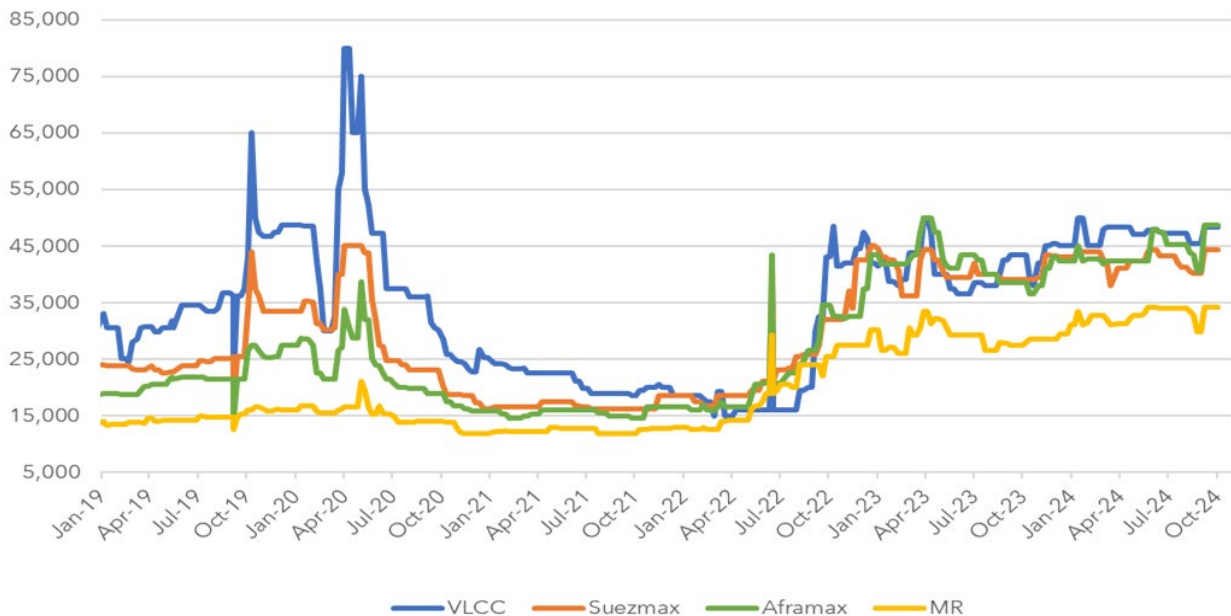
Tanker 12 months T/C rates average (in USD/day)

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
VLCC	310,000	45,250	45,250	39,000	0	+16.03%
SUEZMAX	150,000	40,250	40,250	38,750	0	+3.87%
AFRAMAX	110,000	38,000	36,500	38,500	+4.11%	-1.30%
LRI	74,000	31,500	35,000	28,750	-10.00%	+9.57%
MR	47,000	26,500	26,500	26,000	0	+1.92%

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
STATIA / SAPPHIRA	SUEZ	150,205 149,876	2006 2008	JAPAN	86.75	CMB
LAMBADA	AFRA	104,866	2006	S. KOREA	30.0	UNDISCLOSED
WHITE PEACH	MR	53,187	2007	CHINA	22.0	IMS
SEA LA VIE	MR	47,128	2007	S. KOREA	24.85	GREEK BUYERS
ELIJAH	MR	45,672	2007	CHINA	21.0	NIGERIAN BUYERS
ES SPIRIT	PROD / CHEM	13,799	2020	CHINA	16.64	UNDISCLOSED

Tanker 1 year T/C rates



Containers

Shanghai-based STF Shipping has launched operations in northeast Asia, filling the void left by Dubai's CStar Line, which ceased operations in August. The new Chinese container line now provides three services connecting China with South Korea and Russia's Far East, utilizing a fleet of six vessels ranging from 1,100 to 2,200 TEU capacity. STF Shipping has also signaled intentions to expand its network to include Southeast Asian routes in the near future. It was a quiet week in the container segment with Golden week, however rates remain steady with little change from last.

Meanwhile, the ILA initiated a strike at 14 major U.S. East Coast and Gulf Coast ports, halting billions in trade and disrupting supply chains. The union, representing 85,000 members, rejected a significant wage increase offer from the United States Maritime Alliance (USMX), demanding higher wages and assurances against automation. The strike's impact on the U.S. economy could be substantial, potentially costing US\$3.78 billion for a one-week stoppage as global supply chains face further strain amidst ongoing crises. Latest updates state that the strikes ended on Thursday, after dockworkers struck a tentative deal.

Containers S&P Report

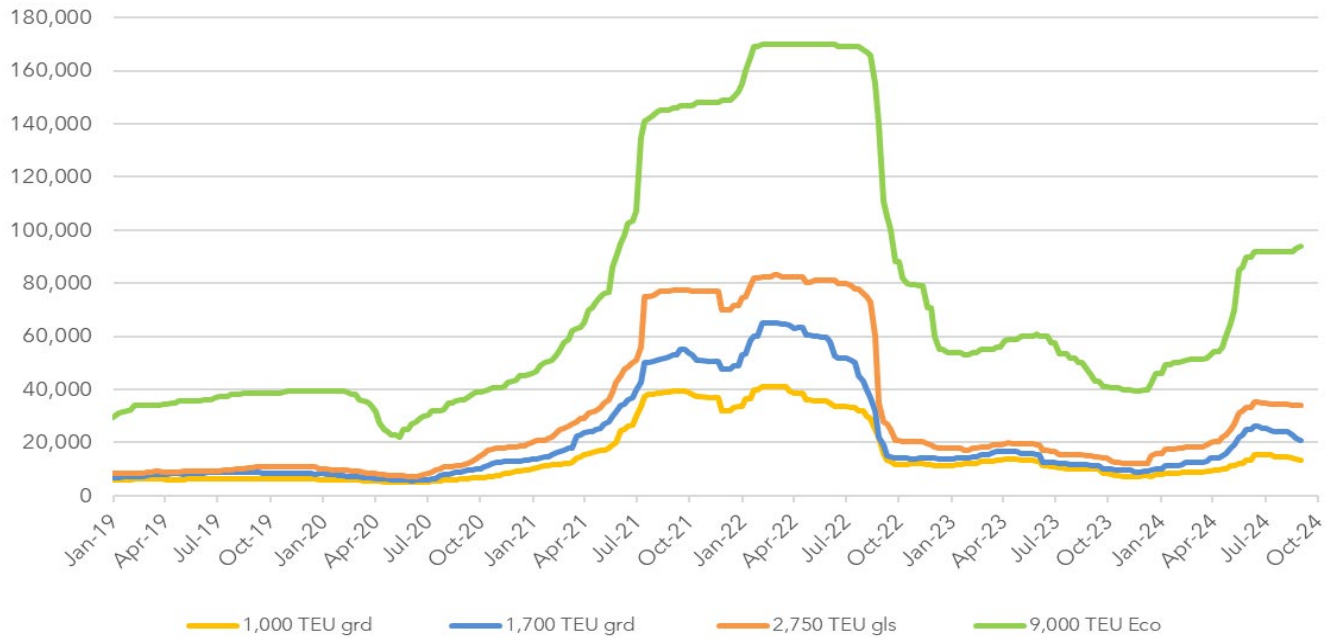
VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
GENOA EXPRESS / BARCELONA EXPRESS / LIVORNO EXPRESS / DETROIT EXPRESS	PMAX	3,832	2014	PHILIPPINES	180.0 EN BLOC	MPC CONTAINER SHIPS
CHOPIN	PMAX	3,635	2012	CHINA	24.0	NORWEGIAN BUYER

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)	470 ~ 480	460 ~ 470	460 ~ 470	490 ~ 500	STABLE / 
CHATTOGRAM, BANGLADESH	470 ~ 480	450 ~ 460	430 ~ 440	480 ~ 490	STABLE / 
GADDANI, PAKISTAN	480 ~ 490	460 ~ 470	450 ~ 460	490 ~ 500	STABLE / 
TURKEY <i>*For Non-EU ships. For E.U. Ship, the prices are about USD 20-30/ton less</i>	320 ~ 330	310 ~ 320	300 ~ 310	320 ~ 330	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

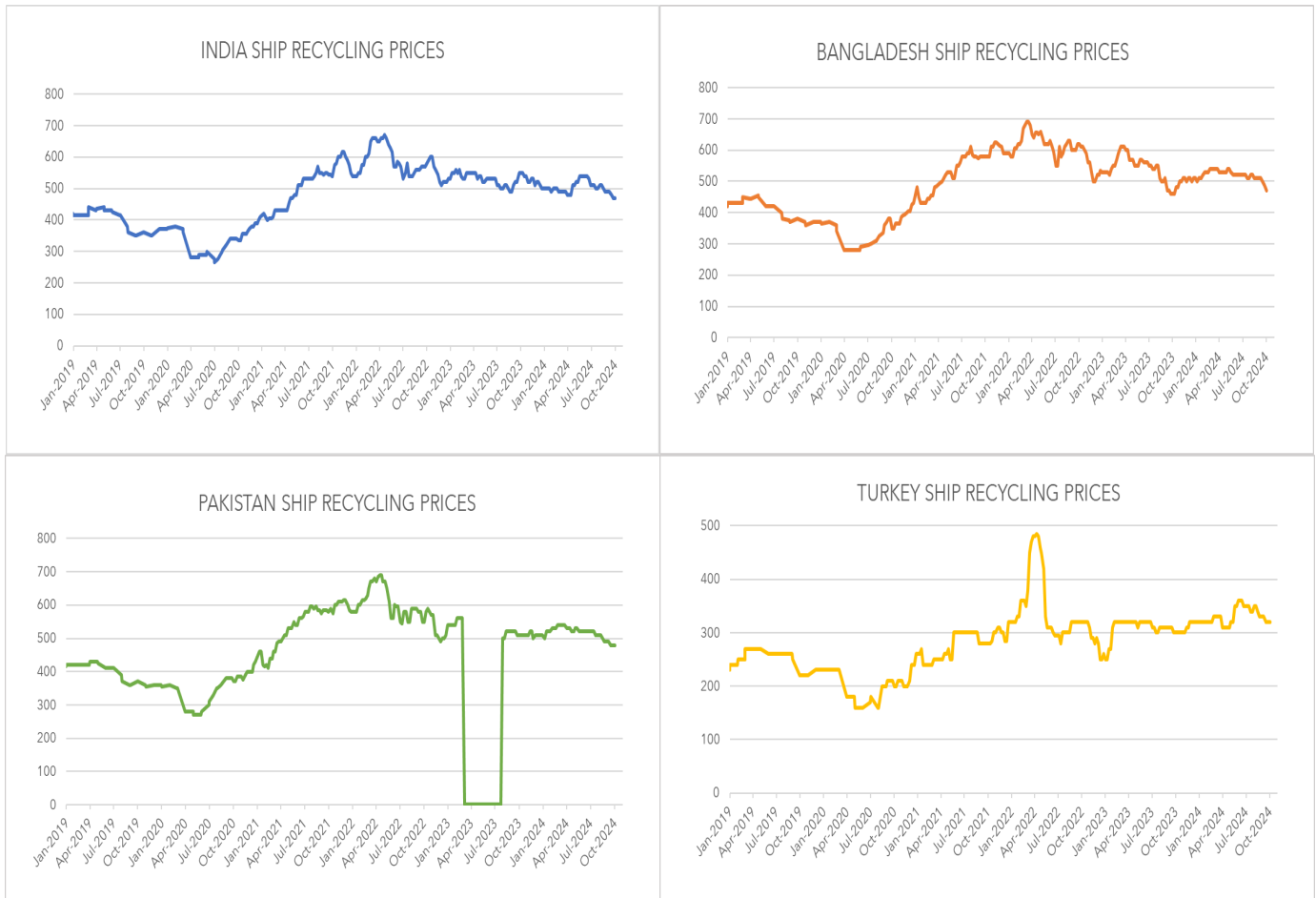
(Week 40)

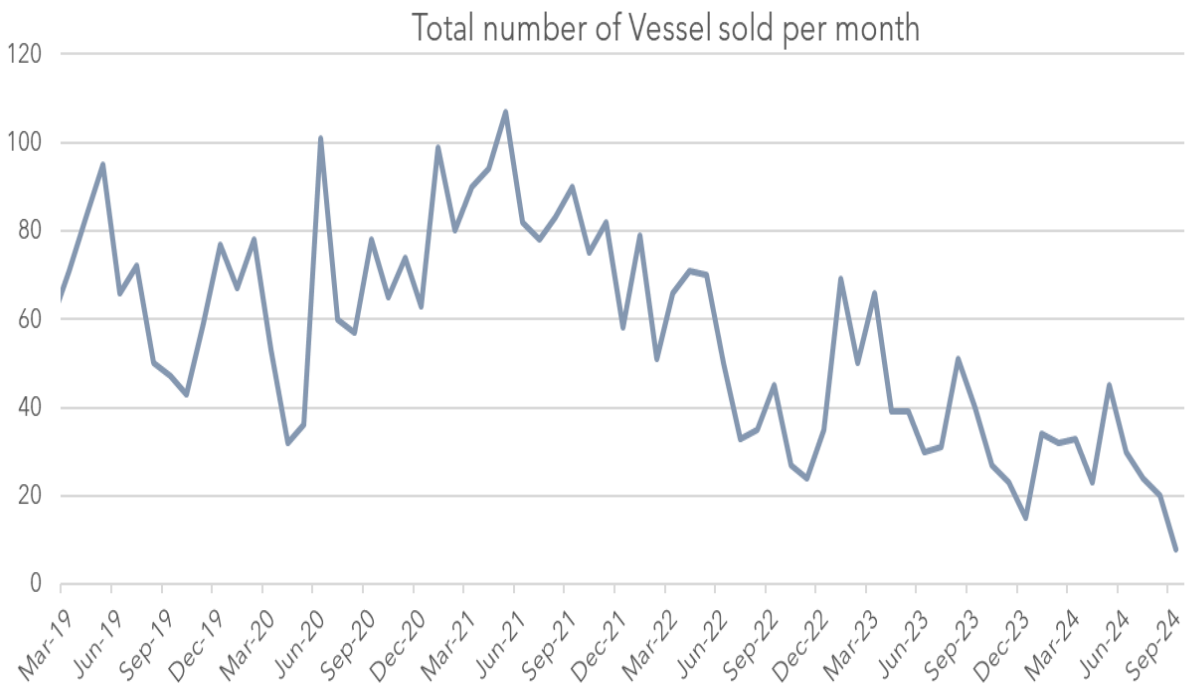
DESTINATION	2019	2020	2021	2022	2023
ALANG, INDIA	425	270	680	570	530
CHATTOGRAM, BANGLADESH	420	300	700	590	565
GADDANI, PAKISTAN	410	305	750	580	530
ALIAGA, TURKEY	270	210	210	300	325

Ships Sold for Recycling

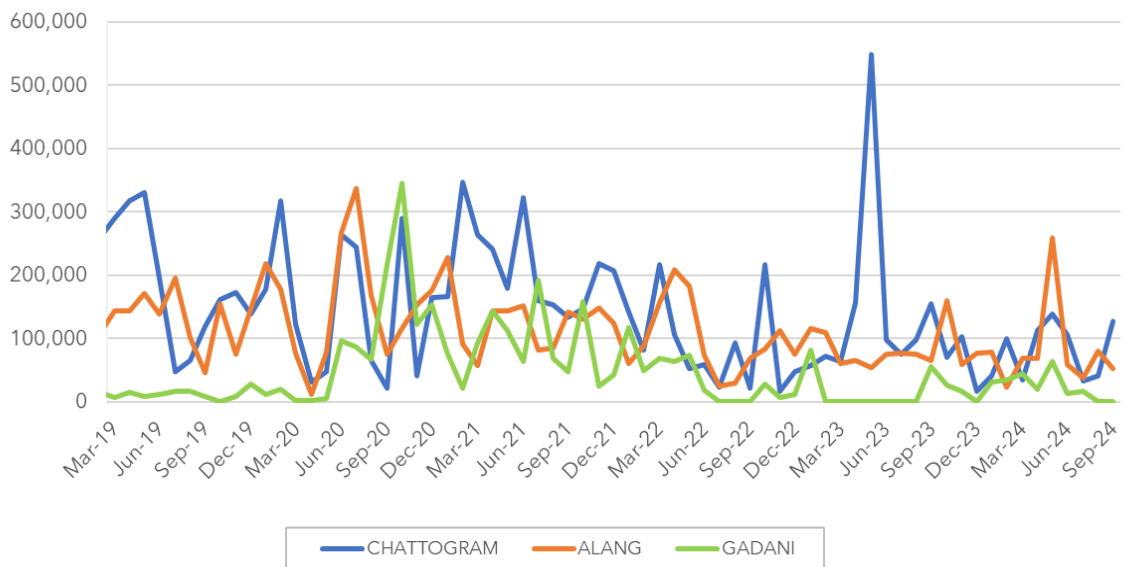
VESSEL NAME	LDT	YEAR / BUILT	TYPE	PRICE (USD/LDT LT)	COMMENTS
MSC ADELE	8,800	1986 / GERMANY	MPP	501	DELIVERED ALANG FOR MSC-APPROVED YARDS
HUMPBACK WHALE	3,993	1994 / UKRAINE	FISH FACTORY	UNDISCLOSED	DELIVERED ALANG

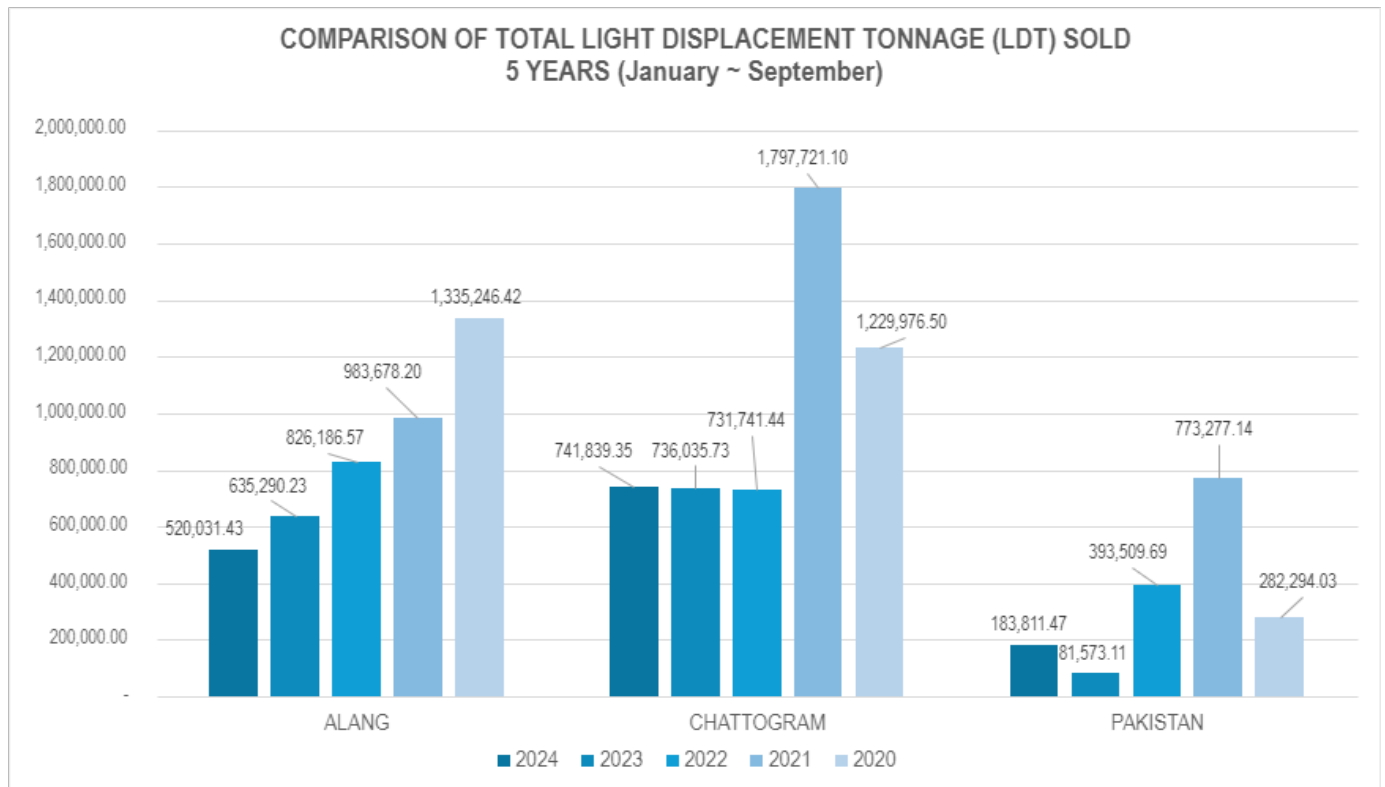
Recycling Ships Price Trend





Sub-continent total Light Displacement Tonnage in metric tons





Insight

As we enter the final quarter of the year, subcontinent markets have regained stability following the sharp declines seen in September, though overall sentiment remains cautious. Prices have now undergone significant corrections, prompting recyclers to actively purchase at the current levels. Meanwhile, global steel markets have also steadied for the time being but continue to react sharply to geopolitical developments and broader economic shifts, particularly those stemming from China.

A notable trend this quarter is the convergence of pricing across all three major ship recycling destinations, with offers now closely aligned.

In a significant development for the steel industry, China's efforts to support its struggling real estate sector have had an immediate impact on iron ore and steel prices. Last week, Beijing unveiled a series of economic stimulus measures designed to boost confidence, including cuts to banking and mortgage costs, interest rate reductions, and funding for local government housing purchases. These announcements, which came just ahead of China's National Day holiday, spurred a surge in steel prices as buyers restocked ahead of the post-holiday business period.

Iron ore prices followed suit, with the KORE 62% Fe price rebounding from a September low of \$90.02/ton CFR China on September 23 to \$98.69/ton by the end of the week. Similarly, Chinese export hot-rolled coil (HRC) prices hit a month-high of \$485/t fob. However, despite the price increase, export market activity remained sluggish, with many buyers awaiting a potential correction following the holiday period.

Interestingly, demand growth for HRC has lagged behind that for rebar and wire rods, raising concerns over the sustainability of this upward trend in prices given China's broader economic challenges. Leading analysts caution that while recent gains are promising, the long-term outlook for commodities like steel may fall short of the industry's ambitious goals.

As global economic uncertainties persist, all eyes will remain on China's next steps and their ripple effects across the steel markets.

Alang, India

Over the past two weeks, market stability has sparked renewed buying interest at adjusted price levels. However, recyclers remain cautious, showing no urgency to secure tonnage. Their stance appears to be one of patience. Rather than rushing to purchase, they are holding firm and unwilling to raise prices. Many recyclers are preparing for an eventual supply increase, which they anticipate will significantly lower prices. Their strategy is clear: avoid getting caught in a potential price slump by overcommitting at current levels.

In the latest sales, MSC sold its MPP "MSC ADELE," built in 1986 in Germany and weighing 8,800 tons, at a reported gross price of US\$501/ton, which is by far a clear reflection of the steep price taken a steep cut in the past couple of months.

Anchorage & Beaching Position (September 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
MSC ADELE	MPP	8,800	05.10.2024	AWATIING
DIVO	FISH FACTORY	26,136	03.10.2024	AWAITING
BEREG MATCHY	REEFER	7,263	26.08.2024	AWAITING*
UNI III	CONTAINER	7,098	03.10.2024	05.10.2024

Chattogram, Bangladesh

The ship recycling industry in Chattogram continues to remain quiet and sluggish, with little sign of activity as the domestic ship scrap prices stop their free fall.

However, in light of limited ships, the market trends and actual status are unknown.

On the other hand, the Ministry has maintained its strict stance, continuing to withhold No Objection Certificates (NOCs) from recycling yards. As a result, the market remains largely unchanged from the previous week, with little movement on either the pricing or regulatory front.

Anchorage & Beaching Position (September 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

Gadani, Pakistan

In recent months, the ship recycling market has seen little movement, as recyclers prepare to meet the Hong Kong Convention (HKC) standards ahead of the June 2025 deadline.

Prices in Gadani have stabilised, with demand starting to pick up. Many players who had previously stepped back from the market are now feeling the pressure to resume operations. With global steel prices stabilising and the market adjusting to revised rates, recyclers are eager to re-enter the scene, positioning themselves for the next phase of activity.

While on the development front, Mr. Arsenio Dominguez, Secretary-General of the International Maritime Organization (IMO), recently visited Pakistan's Gadani ship-breaking yard, inaugurating two key projects aimed at improving worker safety and environmental standards. Accompanied by high-ranking officials, Dominguez laid the foundation for a new hospital dedicated to providing healthcare to ship-breaking workers, a profession notorious for its hazardous conditions. He emphasised the importance of worker safety and praised Pakistan's commitment to improving health standards.

Dominguez also inaugurated a new industrial wastewater treatment plant, designed to manage hazardous waste from ship dismantling operations. The plant aligns with

international environmental standards, reducing the risk of pollution in the surrounding coastal areas. During his address, Dominguez stressed the importance of sustainable practices in ship recycling to protect the region's ecosystem.

Pakistan's adherence to the IMO's Hong Kong Convention was commended, with Dominguez highlighting the country's progress in promoting safe and environmentally sound ship recycling. Federal Minister for Maritime Affairs Qaiser Ahmed Shaikh also reiterated the government's support for Balochistan's development, including initiatives to boost economic growth and job creation in the region.

Anchorage & Beaching Position (September 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

Aliaga, Turkey

Despite a sharp rise in imported scrap values, most Turkish mills have maintained their domestic scrap buying prices at last week's levels

This significant price hike is largely attributed to the US port workers' strikes. Although scrap suppliers had hoped for support from the booming Chinese market, Turkish mills' rebar price increases, and the strong euro in recent weeks, these factors have had minimal impact on scrap prices until now.

Some suppliers, anticipating even higher values, have withdrawn from the market, while others have raised their offer prices above US\$380/ton CFR for HMS 1&2 80:20. The Turkish market is now speculating whether prices will approach the US\$400/ton threshold if the strikes continue.

Turkish shipbreaking scrap prices rose slightly to US\$370/t delivered at closing, up from US\$10/ton last week.

BEACHING TIDE DATES 2024

Chattogram, Bangladesh : 16 – 19 October | 30 October – 2 November

Alang, India : 3 – 8 October | 15 – 23 October

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	HSFO (3.5%)	MGO (0.1%)
SINGAPORE	622	505	685
HONG KONG	620	510	689
FUJAIRAH	595	470	790
ROTTERDAM	540	485	644
HOUSTON	575	477	716

EXCHANGE RATES			
CURRENCY	October 4	September 27	W-O-W % CHANGE
USD / CNY (CHINA)	7.01	7.01	0
USD / BDT (BANGLADESH)	119.46	119.41	-0.04%
USD / INR (INDIA)	84.03	83.69	-0.41%
USD / PKR (PAKISTAN)	277.43	277.59	+0.06%
USD / TRY (TURKEY)	34.20	34.18	-0.06%

Sub-Continent and Turkey ferrous scrap markets insight

The Sub-Continent and Turkey imported ferrous scrap markets showed varied activity this week, with India seeing moderate demand, while Pakistan and Bangladesh faced challenges. In India, buyers exercised caution amid recent rebar price hikes, while Pakistan's sluggish demand persisted due to liquidity issues in the downstream steel sector. Bangladesh's market softened further, hindered by weak construction activity and political uncertainties, despite a rise in global scrap offers.

Notably, bulk scrap imports into Bangladesh surged by 17% year-on-year for the January-September 2024 period.

India's scrap market witnessed moderate demand, with several deals reportedly concluded. Offers for shredded scrap from the US and UK/Europe hovered around US\$400-405/ton CFR Nhava Sheva, while HMS (80:20) from the UK/Europe and West Africa was offered at US\$375-380/ton CFR. Traders noted that buyers remained cautious, given the rebar price hike of INR 2,000/ton for October, with a "wait-and-watch" approach being adopted by many.

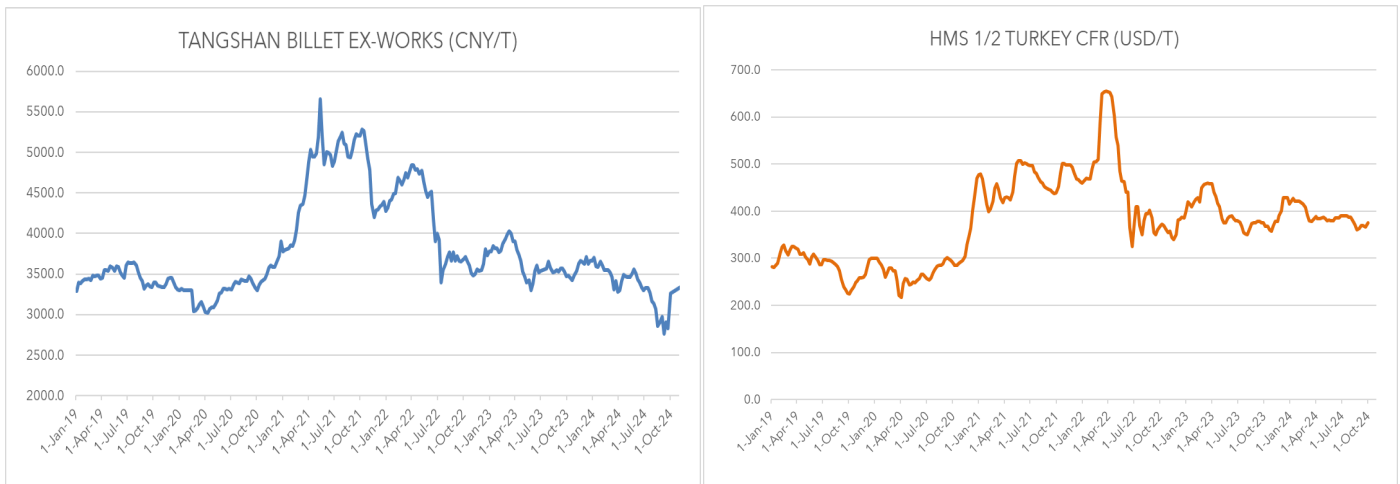
In **Pakistan**, demand for imported scrap remained sluggish, with the downstream steel sector grappling with liquidity challenges. Offers for shredded scrap from the UK/Europe stood at US\$400-410/ton CFR Qasim, as buyers made only need-based purchases.

The **Bangladeshi** scrap market softened today due to weak construction activity and low purchasing interest, particularly among rebar sellers. Despite rising global scrap offers, economic instability and political uncertainties continued to dampen buyer enthusiasm.

A bulk scrap vessel from Japan, carrying 10,000 tonnes of busheling scrap, was reportedly booked at US\$405/ton CFR Chattogram. Notably, bulk scrap imports into Bangladesh surged 17% year-on-year over the January–September 2024 period, driven largely by supplies from the US, Australia, and Japan.

Turkey's scrap market saw strengthening prices, driven by robust domestic rebar sales and restocking needs. US-origin HMS (80:20) scrap prices rose to US\$382/ton CFR, up US\$7/ton from the previous day. While mills were bullish due to strong rebar demand, they resisted higher bids, capping them at US\$382/ton CFR. Supply tightness and rising iron ore prices contributed to the optimistic market outlook.

HMS 1/2 & Tangshan Billet



Commodities

The Chinese property market received a boost as major cities like Shanghai, Guangzhou, and Shenzhen eased home-buying restrictions in response to Beijing's calls for economic support. These measures, including reduced down-payment requirements and relaxed ownership limits, sparked a surge in property stocks despite ongoing market challenges. The positive sentiment spilt over to commodities, with iron ore futures and base metals seeing significant gains in Asian trading.

Iron ore futures experienced a remarkable surge on Monday, marking their fifth consecutive session of growth, as China's latest property stimulus and monetary easing policies boosted demand outlook. The most-traded January iron ore contract on China's Dalian Commodity Exchange jumped 9.5% to 812.5 yuan per metric ton, while the benchmark November iron ore on the Singapore Exchange soared 8.53% to US\$110.85 per ton. This positive momentum was further bolstered by expectations of strong fiscal stimulus in the world's second-largest economy, leading to significant gains in other steelmaking ingredients and steel benchmarks on the Shanghai Futures Exchange.

Copper prices also initially rose on the back of China's stimulus measures and better-than-expected factory output data, but later retreated due to a strengthening US dollar and increased production from Chile. This dip suggests waning investor enthusiasm for the stimulus policies. Trading volumes on the London Metal Exchange (LME) remained muted, with Chinese traders on break for the Golden Week holiday. Additionally, a stronger US dollar further dampened investor appetite across the metals sector, adding downward pressure to copper 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)	108	+10.2%	-10.0%	98	120
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	104	+6.12%	-13.3%	98	120

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	457.40	+2.10	+0.46%	Dec 2024
3Mo Copper (L.M.E.)	USD / MT	9,943.50	+77.50	+0.79%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,653.00	+24.00	+0.91%	N/A
3Mo Zinc (L.M.E.)	USD / MT	3,166.00	+42.00	+1.34%	N/A
3Mo Tin (L.M.E.)	USD / MT	33,805.00	+96.00	+0.28%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	74.38	+0.67	+0.91%	Nov 2024
Brent Crude (ICE.)	USD / bbl.	78.05	+0.43	+0.55%	Dec 2024
Crude Oil (Tokyo)	J.P.Y. / kl	71,100.00	+900.00	+1.28%	Oct 2024
Natural Gas (Nymex)	USD / MMBtu	2.85	-0.12	-3.91%	Nov 2024

Note: all rates as at C.O.B. London time October 4, 2024



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