STAR ASIA WEEKLY REPORT

WEEK 43 – October 26, 2024

In a significant diplomatic milestone, this week's BRICS summit in Kazan emerged as a demonstration of evolving global dynamics, bringing together leaders from 36 nations. Russian President Vladimir Putin praised the BRICS summit in Kazan as a counterbalance to the West, criticising its "perverse methods." The summit gathered leaders from 36 nations, marking a diplomatic success for Russia amid U.S.-led efforts to isolate it over the Ukraine conflict.

UN Secretary-General Antonio Guterres, attending his first Russian event in over two years, urged for a "just peace" in Ukraine. In response, Putin welcomed recent statements by former U.S. President Donald Trump to end the Ukraine crisis. Discussions focused on deepening BRICS financial cooperation, developing alternatives to Western-dominated payment systems, and addressing regional conflicts. The bloc, expanded to include countries like Iran and Saudi Arabia, now represents nearly half the global population, a fact Kremlin media emphasized as evidence of BRICS' challenge to Western influence.

Meanwhile in its latest World Economic Outlook, the IMF has presented a nuanced view of the global economy, projecting a slight slowdown in growth while acknowledging central banks' successful efforts in managing inflation without triggering recessions. The forecast for 2025 has been trimmed to 3.2%, reflecting growing concerns about the world economy's ability to generate sufficient resources for addressing critical challenges like poverty reduction and climate change. Notably, inflation is expected to moderate to 4.3% next year from 5.8% in 2024, marking a significant improvement in price stability.

The global economic landscape faces mounting challenges, with IMF Chief Economist Pierre-Olivier Gourinchas highlighting increasing risks from geopolitical tensions, regional conflicts, and rising protectionist policies. A significant concern emphasized in the report is the escalating global public debt, projected to reach US$100 trillion or 93% of world GDP by year-end, primarily driven by the United States and China. This situation, combined with various pressures on government spending – including clean energy initiatives, aging population support, and security needs – creates a challenging environment for fiscal stability. IMF cautions about potential risks from monetary policy impacts, sovereign debt pressures in emerging economies, and possible spikes in food and energy prices due to various external factors.

Dry Bulk

In a significant shift from recent market stability, the dry bulk shipping sector experienced an unexpected downturn last week, with freight futures plunging to their lowest levels in eight months. This sudden movement has caught industry observers' attention, particularly given that current spot rates remain historically profitable, albeit falling short of the seasonal strength typically expected during this period.

Similar was also noted on Friday in the Baltic Exchange's benchmark as the index retreated 35 points to settle at 1,410 points. This decline was particularly evident across all vessel segments, painting a challenging picture for the sector.

Most notably, the larger Capesize vessels, workhorses of the iron ore and coal trade, saw their daily earnings decrease by US$516 to US$15,416, with the segment's index falling 62 points to 1,859. Their smaller counterparts weren't spared either - Panamax vessels, which typically transport 60,000-70,000 tons of bulk commodities, registered a US$193 drop in daily earnings to US$10,945, while BSI moderated by 4 points to 1,245.

Market observers attribute this softening partly to weakening iron ore futures in Dalian and an increasingly uncertain global steel market outlook.

Capesize:

The Pacific basin is showing signs of modest recovery, driven by a fresh influx of cargo orders, with Pacific r/v rates at closing edged slightly higher to US$ 16,250. Similarly, Brazil's shipping sector is experiencing an upward trend, bouncing back from recent weakness through improved cargo flows and a natural market correction. However, the North Atlantic region continues to face downward pressure as cargo volumes remain persistently sluggish in this key trading area. T/A fell to US$13,500’s a day while

Panamax/Kamsarmax:

While the Atlantic basin continues its downward trajectory, notably impacted by unexpectedly weak cargo volumes from South American routes that had previously helped stabilize rates. F/H route (Europe-E.Asia) fell to US$18,500s a day. The Pacific market, despite experiencing some rates decline due to subdued trading activity, maintains a more optimistic outlook thanks to healthy overall cargo flow levels with Pacific r/v falling slightly to US$11,500’s a day.

Supramax/Ultramax:

In a contrasting market scenario, the Atlantic is experiencing a slight downturn, primarily influenced by lower-than-expected cargo flows from South American routes. T/A fell to US$19,700's a day. Meanwhile, the Pacific continues to face downward pressure on fixture rates, as potential cargoes that could provide upward momentum remain notably scarce, Pacific r/v slipped US$200 to US$12,900's.

Handysize:

It was another tepid week for the Handy market with both basins seeing rates coming down. Despite some activities seen in Pacific, rates for inter-regional route fell to US$10,300's a day. Meanwhile, there is limited enquiry in the Atlantic but rates in T/A still manage to hold steady falling slightly to US$10,000's.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,410	1,576	1,563	-10.53%	-9.79%
BCI	1,856	2,276	2,226	-18.45%	-16.62%
BPI	1,201	1,285	1,605	-6.54%	-25.17%
BSI	1,240	1,250	1,184	-0.80%	+4.73%
BHSI	728	727	671	+0.14%	+8.49%

Dry Bulk Values

(*Weekly*)

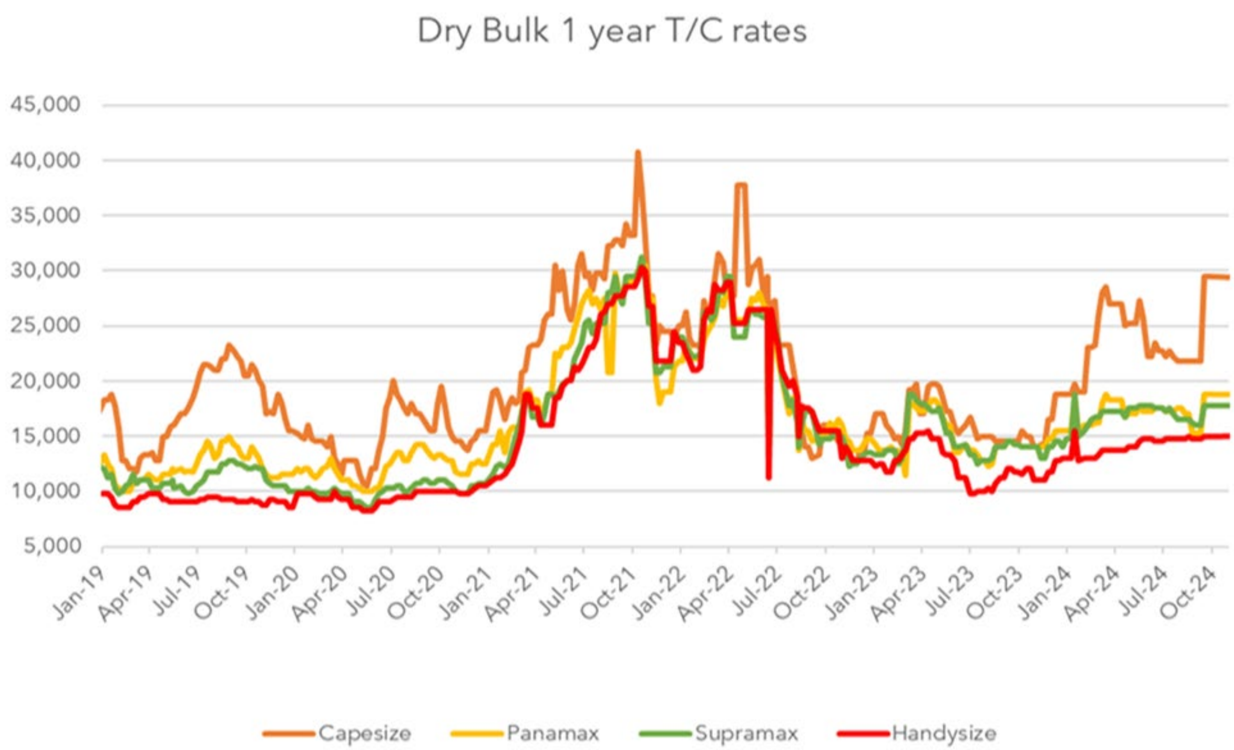
TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	76	77	64	45	29
KAMSARMAX	82,000	37	44	38	28	18
SUPRAMAX	56,000	35	41	36	27	16
HANDY	38,000	30	35	28	21	12
**(amount in USD million)*						

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
CAPESIZE	180,000	19,500	21,000	13,500	-7.14%	+44.44%
PANAMAX	75,000	13,500	13,500	12,000	0	+12.50%
SUPRAMAX	58,000	15,000	15,000	11,500	0	+30.43%
HANDYSIZE	38,000	14,000	14,000	11,250	0	+24.44%

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
K DAPHNE / LAVENDER	CAPE	180,786 179,873	2009 2010	S. KOREA	54.0 EN BLOC	JIANGSU STEAMSHIP
BULK PORTUGAL	KMAX	82,224	2012	JAPAN	22.5	GERMAN BUYERS
NOVA OPTIMUS	KMAX	81,805	2012	CHINA	16.5	FUJIAN HAITONG
HC VICTORY	PMAX	75,804	2005	JAPAN	10.5	CHINESE BUYERS
OCEAN AMBITIOUS	UMAX	63,577	2016	CHINA	25.5	UNDISCLOSED
LASCOMBES / GRUAUD LAROSE	SMAX	56,801	2011	CHINA	13.0 EACH	UNDISCLOSED
PARO	SMAX	55,691	2009	JAPAN	14.75	CHINESE BUYERS
SPAR SPICA	SMAX	53,565	2005	CHINA	10.0	UNDISCLOSED
ULTRA BOSQUE	HANDY	40,261	2020	CHINA	27.5	TURKISH BUYERS
EMIL SELMER	HANDY	32,626	2010	CHINA	10.5	UNDISCLOSED



Tankers

Oil markets experienced significant volatility on Thursday, with prices falling 1% amid concerns over European economic growth and its potential impact on energy demand. Brent futures closed at US$74.38 per barrel, down 58 cents, while U.S. West Texas Intermediate crude settled at US$70.19, marking a similar decline. The day's trading was characterised by notable swings, with both benchmarks initially showing strength before retreating, highlighting the market's current sensitivity to global economic indicators and geopolitical developments.

The ongoing Middle East tensions continue to play a crucial role in oil market dynamics. Market reactions have been pronounced, with Brent crude experiencing dramatic swings - surging 8% in early October before falling by the same margin two weeks later as fears of disruption to oil infrastructure eased. Iran's significant position in global oil markets, with production reaching 4.0 million barrels per day in 2023 and expected exports of 1.5 million bpd in 2024, adds another layer of complexity to the current market situation, especially given its support for various regional militant groups.

The broader economic context presents additional challenges, with recent data painting a mixed picture across major economies. The Eurozone's business activity remains in contractionary territory, while the UK faces declining business optimism ahead of crucial budget decisions.

VLCC:

In MEG, charterers adopted a wait-and-see approach early in the week, anticipating further rate drops. However, from mid-week onwards, concurrent bookings for remaining October cargoes and early November shipments led to firm freight rates at closing. MEG/China route for 270,000mt remains unchanged at WS57. In Atlantic, WAFR to China close similar to last at WS62. Owners' increasing optimism about the winter peak season is expected to maintain firm rates, with owners quoting higher prices.

Suezmax:

Overall market was weak despite some enquiries. It was a quiet one in the Mediterranean and Black Sea with 135,000mt CPC/Med falling 2 points to WS112. Meanwhile, WAFR mirrored the same softness with 130,000mt Nigeria to UKC seeing WS97 rates at closing.

Aframax:

Rates closed softer in the MEG, reflecting similar conditions in larger vessel segments (VLCC and Suezmax). 140,000mt MEG/Med route fell to WS101. In the WAFR region, the 130,000mt route to UKC saw a slight easing despite an uptick in activities. Rates were at WS97 at closing.

Clean:

LR: LR2 experienced a softer week with both LR1 and LR2 vessels seeing weaker demand at the start of week. TC1 fell 13 points, closing to WS120. Similarly, for LR1 in the MEG, levels remain under pressure with TC5 falling to WS128.

MR: The MR market in the Far East closed slightly weaker, pressured by overall sluggish demand and continued cargo migration to larger units. In the UKC, rates remain stagnant with levels for TC2 closing at WS92 range. In the MEG region, it was a week of big losses and poor performance as TC17 lost some 30 points to WS204.

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	1,041	1,043	1,372	-0.19%	-24.13%
BCTI	558	580	794	-3.79%	-29.72%

Tankers Values

(Weekly)

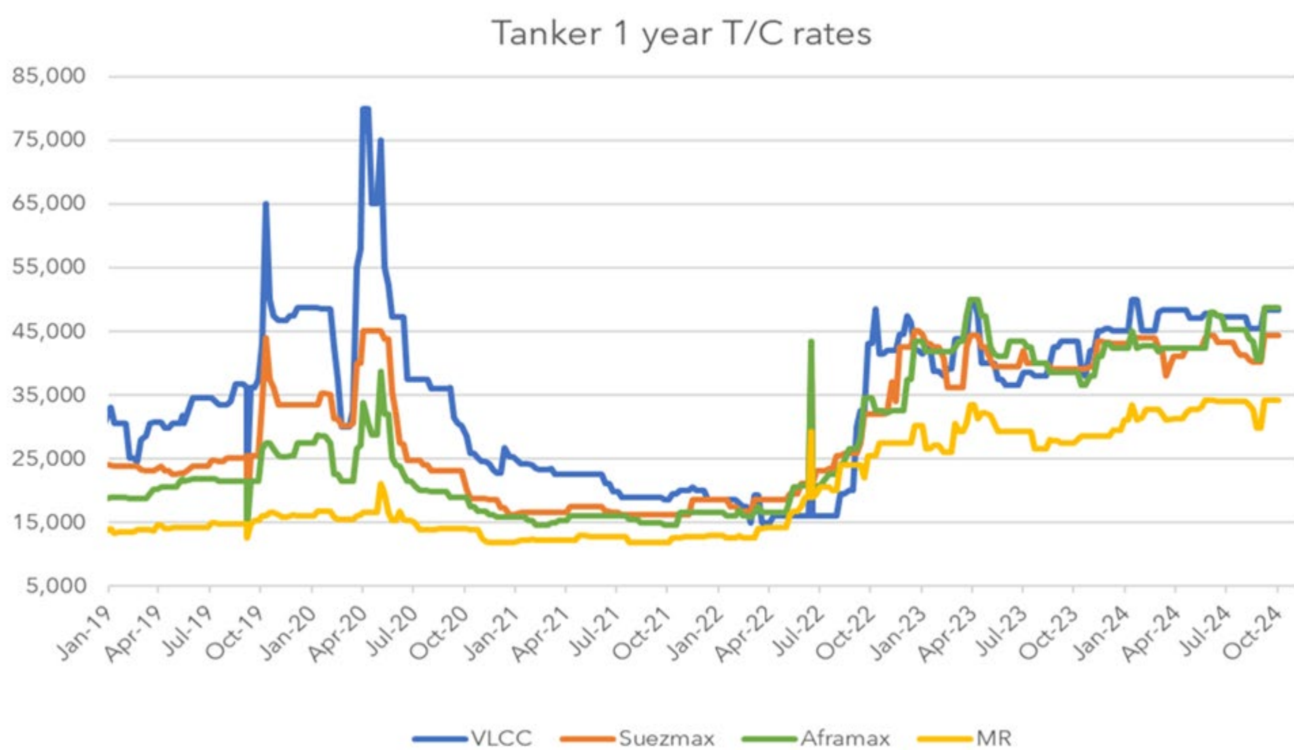
TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	129	146	116	86	58
SUEZMAX	160,000	90	99	83	68	50
AFRAMAX	115,000	75	86	72	62	44
LR1	73,000	62	68	58	48	32
MR	51,000	52	53	50	41	28
*(amount in USD million)						

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	47,000	47,000	43,250	0	+8.67%
SUEZMAX	150,000	41,750	41,750	39,250	0	+6.37%
AFRAMAX	110,000	39,000	39,000	38,500	0	+1.30%
LR1	74,000	27,500	29,000	31,250	-5.17%	-12.00%
MR	47,000	26,750	26,500	26,000	+0.94%	+2.88%

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
HIGH LEADER	MR	49,929	2018	JAPAN	34.3	D'AMICO
JAL SIDDHI	PROD/ CHEM	19,805	2006	JAPAN	20.0 (SS)	UNDISCLOSED



Containers

SCFI showed mixed trends across the routes last week. While rates to major destinations like the US East Coast and Europe continue to decline, Middle Eastern and Southeast Asian routes are showing signs of improvement, helping to stabilise the overall index decline. Middle Eastern routes have also seen significant rate increases due to geopolitical risks, while Southeast Asian routes are benefiting from increased Philippine demand ahead of the Christmas season.

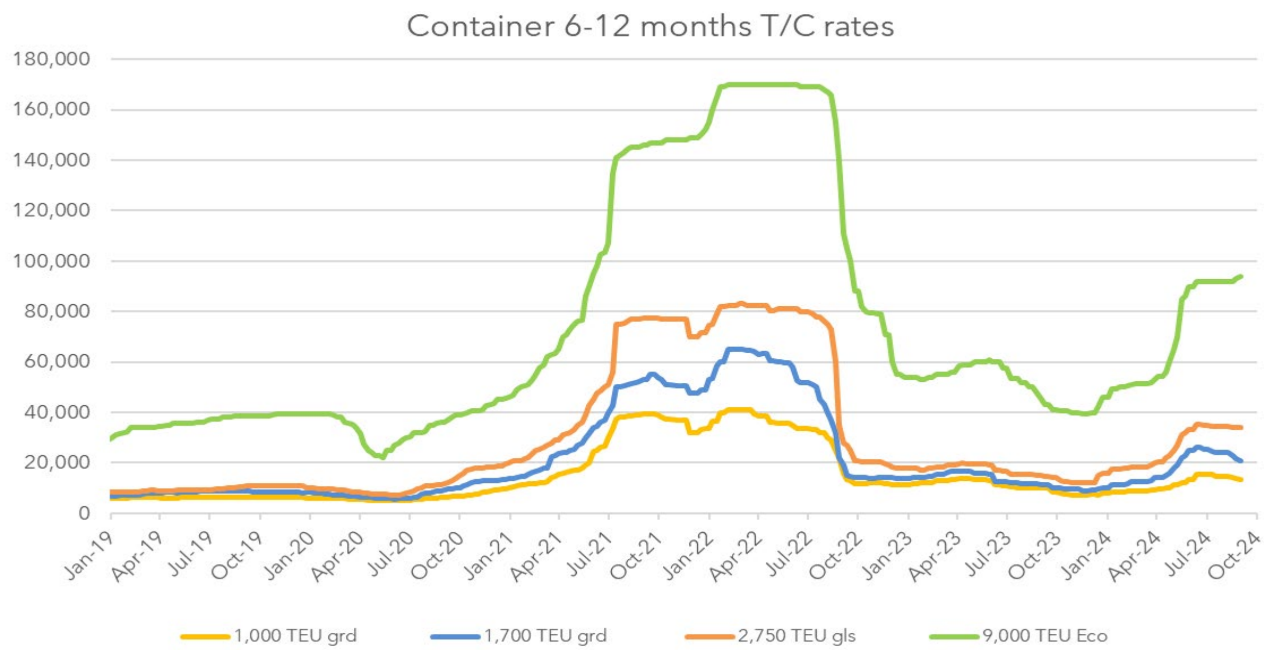
This week, freight rates for spot containers on the Far East-Europe routes strengthened significantly, breaking a 13-week downward streak. The Shanghai-North Europe rate on the SCFI also jumped 14% to US$2,226 per TEU, driven by improving market sentiment. This upward momentum was reflected across other routes as well, with the overall index rising 6% w-o-w to reach 2,185 points.

Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
NAJADE	SUB PMAX	2,700	2007	GERMANY	20.0	GERMAN BUYERS
SEATRADE ORANGE / SEATRADE RED / SEATRADE BLUE / SEATRADE GREEN / SEATRADE WHITE	SUB PMAX	2,259	2016 ~ 2019	CHINA	150.0 EN BLOC	CMA CGM
GREEN ACE	FEEDER	1,740	2005	CHINA	11.5	UNDISCLOSED
WAN HAI 232	FEEDER	1,660	2000	JAPAN	N/A	CHINESE BUYERS

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)						



Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
ALANG (WC INDIA) .	460 ~ 470	450 ~ 460	440 ~ 450	480 ~ 490	WEAK /
CHATTOGRAM, BANGLADESH	460 ~ 470	450 ~ 460	440 ~ 450	480 ~ 490	WEAK /
GADDANI, PAKISTAN	460 ~ 470	440 ~ 460	430 ~ 440	460 ~ 470	WEAK /
TURKEY *For Non-EU ships. For E.U. Ship, the prices are about USD 20-30/ton less*	360 ~ 370	340 ~ 350	350 ~ 360	370 ~ 380	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

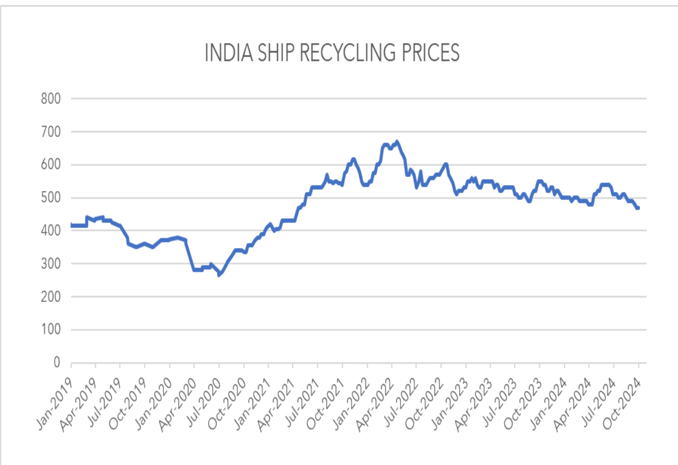
(Week 43)

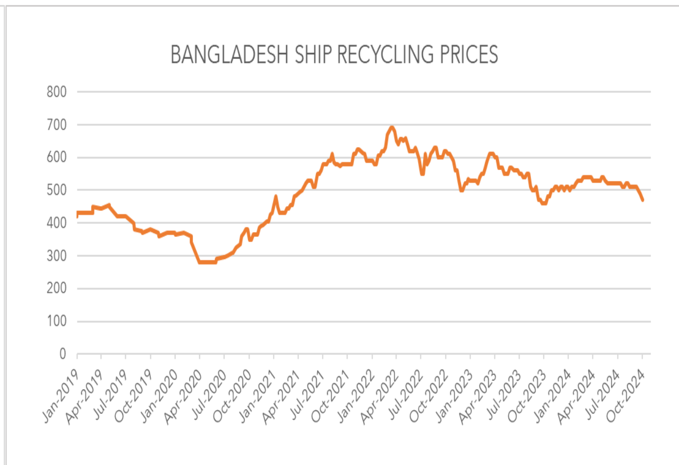
DESTINATION	2019	2020	2021	2022	2023
ALANG, INDIA	425	270	680	570	530
CHATTOGRAM, BANGLADESH	420	300	700	590	560
GADDANI, PAKISTAN	410	305	750	580	520
ALIAGA, TURKEY	270	210	200	300	320

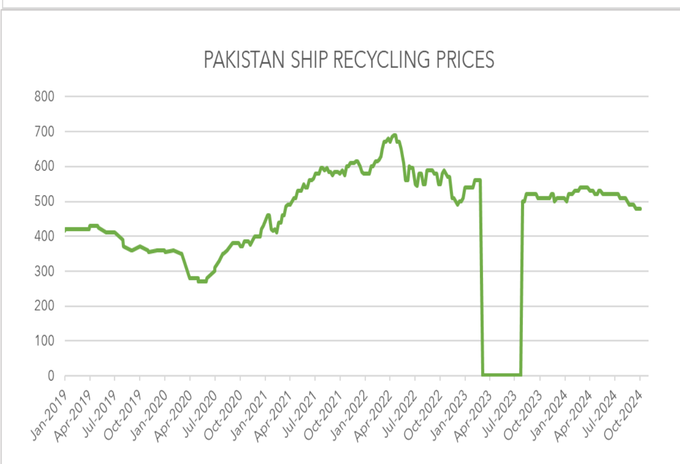
Ships Sold for Recycling

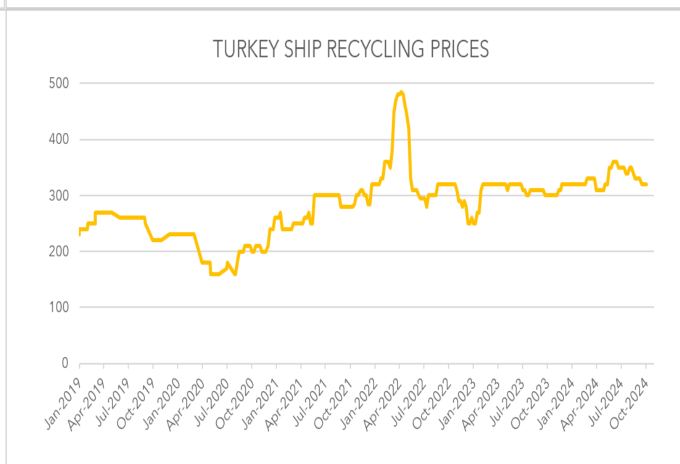
VESSEL NAME	LDT	YEAR / BUILT	TYPE	PRICE (USD/LDT LT)	COMMENTS
MSC EYRA	10,655	1982 / GERMANY	CONTAINER	495	DELIVERED ALANG FOR MSC APPROVED YARDS
MSC ALEXA	16,227	1996 / ITALY	CONTAINER	491	DELIVERED ALANG FOR MSC APPROVED YARDS
TAHA-Y	8,603	1985 / JAPAN	GENERAL CARGO	480	DELIVERED ALANG
CAPT.OSAMA	5,207	1984 / GERMANY	GENERAL CARGO	UNDISCLOSED	DELIVERED ALANG

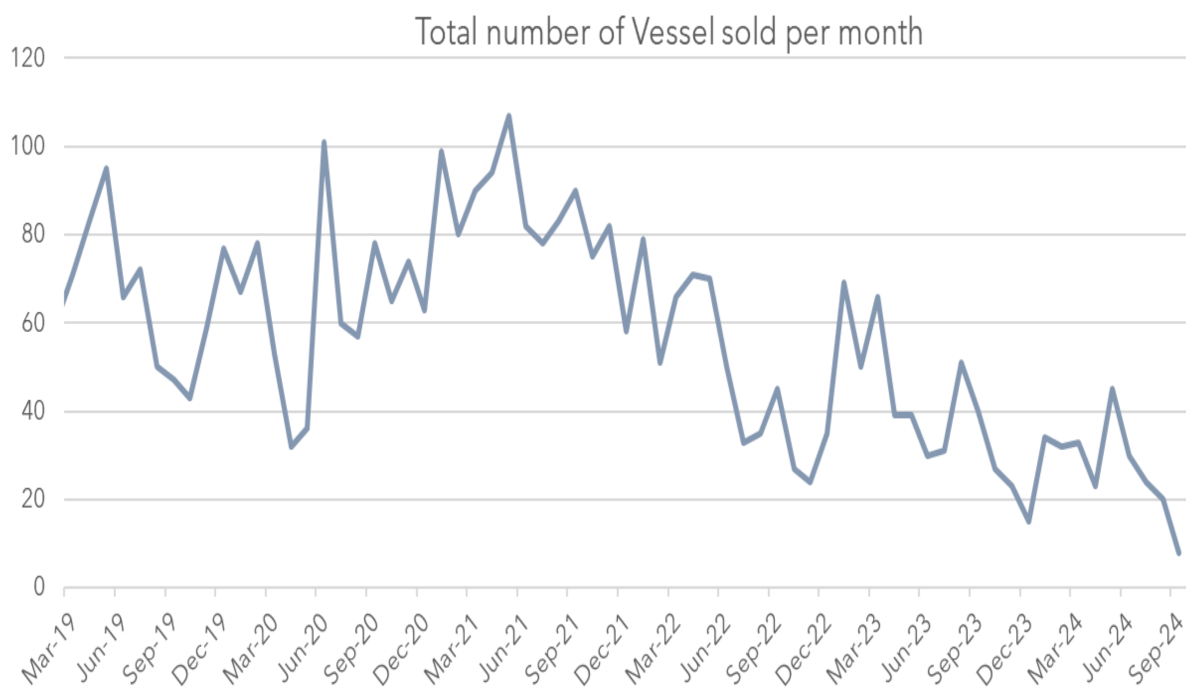
Recycling Ships Price Trend










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
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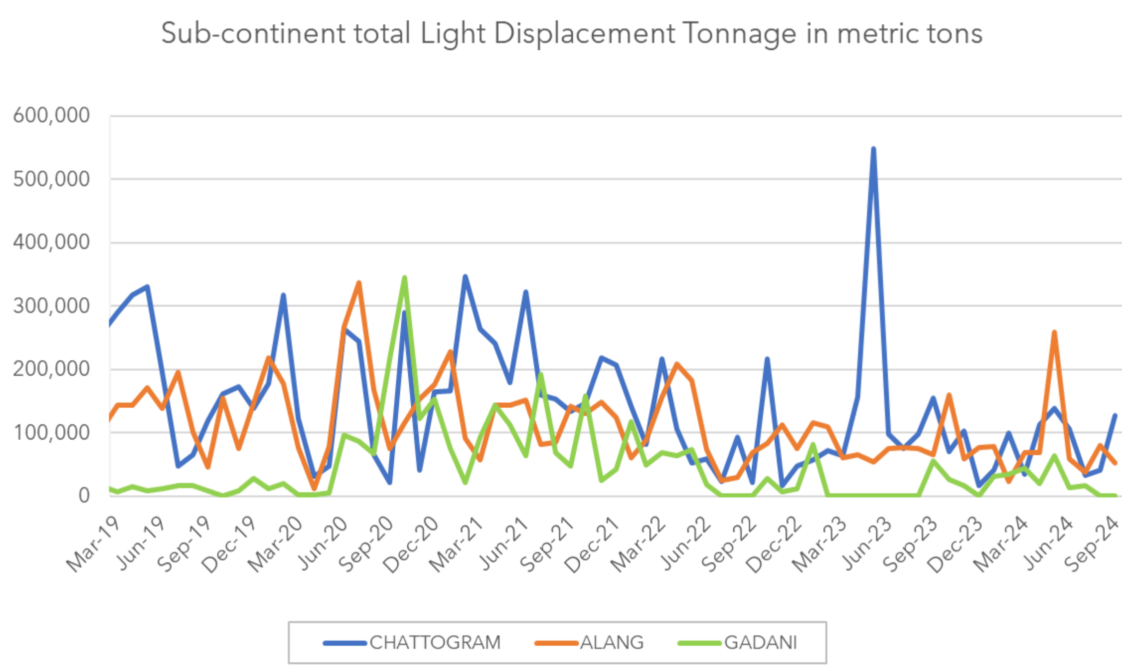
Mar-24
Jun-24
Sep-24


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
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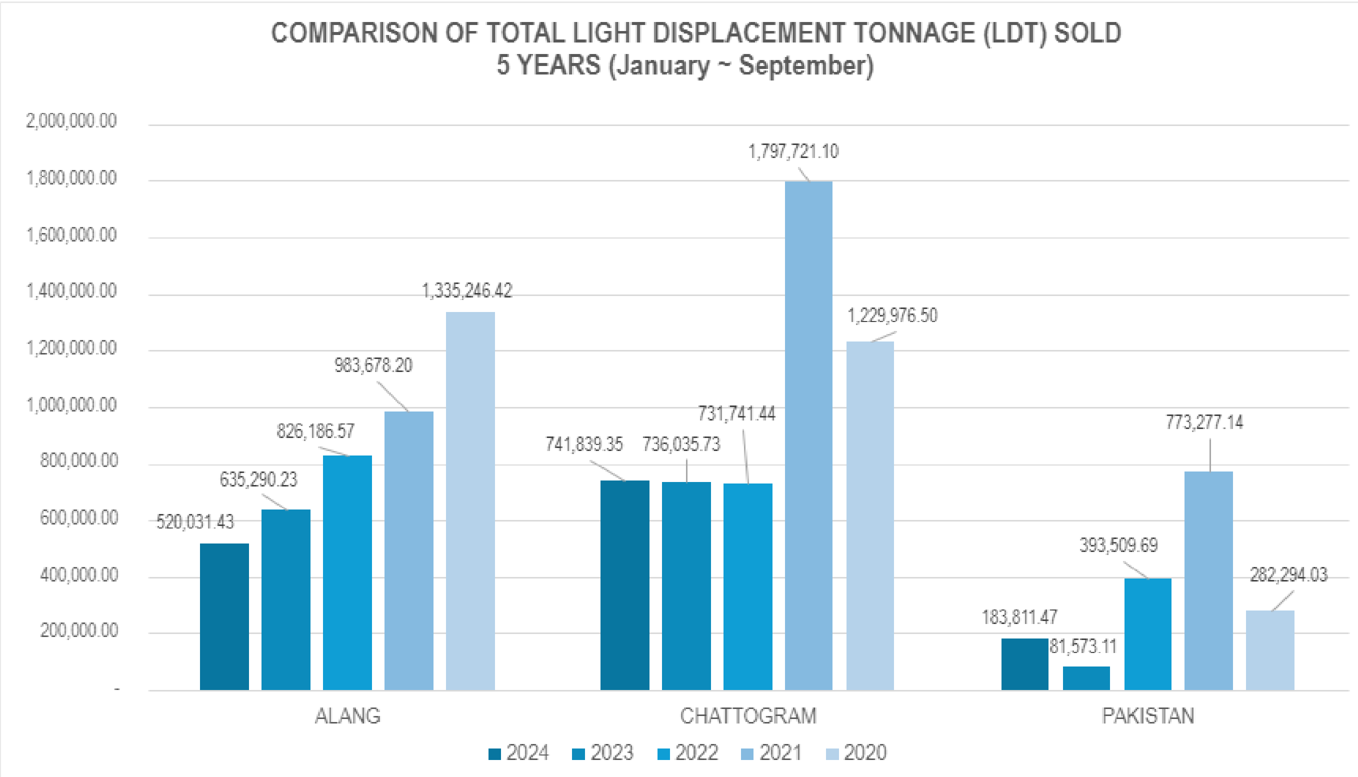
Jun-24
Sep-24
CHATTOGRAM
ALANG
GADANI



Insight

The ship recycling market is on the cusp of a significant shift, driven by declining dry bulk freight rates coupled with ailing demand, a double whammy. The industry is now gearing up to see a significant influx of end-of-life ships, which will determine the new pricing trends. However, the irony lies in the fact that domestic markets, struggling with weak demand, have seen a steep downturn. This has created a scenario where a major price correction in ship recycling appears inevitable to align with domestic fundamentals and ensure long-term business sustainability.

As more shipowners begin to offload end-of-life vessels for recycling, ship supply pressures have started to ease. Looking ahead, November is expected to be a pivotal month, likely setting new pricing trends for the industry. The easing of ship supply will be the catalyst going forward to bring the market back to normal.

On the global steel production front, the crude steel production for the 71 countries reporting to the World Steel Association (worldsteel) reached 143.6 million tonnes in September 2024, reflecting a 4.7% decline compared to the same month last year. Meanwhile, China's crude steel production fell to 77.1 million tons in September 2024, marking a 6.1% year-on-year decline. This signals potential market adjustments or a shift in domestic demand. The global steel industry will be closely watching how this development influences broader market dynamics.

Alang, India

This week saw significant turbulence in the domestic ship scrap markets as prices sharply reversed course, erasing all gains made over the past month, a pure knee-jerk effect. In just one week, prices plummeted by approximately 2.5%, leaving the industry in a state of confusion.

Despite earlier signs of stabilisation in the domestic ship scrap prices, the demand for steel quickly faltered, pushing the markets back into uncertainty.

After 42 years of faithful service across the world's oceans, MSC EYRA embarks on her final voyage to Alang's shores, where she will gracefully conclude her maritime journey. Throughout her illustrious career, this 10,655MT lightweight vessel has weathered countless storms and carried millions of tons of cargo.

MSC has also offloaded another vessel, the MSC Alexa, built in 1996 in Italy and weighing 16,227 tons, reported sold at a gross price of USS491/ton. Just a few weeks ago, these vessels would have likely commanded prices exceeding US$510/ton.

Alang stands at a pivotal moment as the European Union conducts final audits of three of its yards for potential certification. This development could mark a significant breakthrough for both Alang and European shipping companies, who are increasingly seeking certified facilities for their end-of-life vessels. With approximately 35% of the world's shipping fleet under European ownership and limited EU-certified recycling facilities available, Alang's potential certification could provide a crucial solution to Europe's growing ship recycling demands.

The journey toward EU certification has been marked by substantial improvements in Alang's facilities and practices. Key developments include the installation of a high-temperature rotary incinerator capable of safely disposing of hazardous materials at 1,400 degrees Celsius, and the establishment of a trauma center scheduled to be operational by December 2024. These upgrades, along with other environmental and safety enhancements, demonstrate Alang's commitment to meeting stringent EU standards while maintaining its competitive edge in the global ship recycling market. The matter is now tabled to the member states and If successful, EU certification would transform Alang into one of the few globally recognised facilities capable of recycling European vessels in compliance with EU regulations. This achievement would not only bring substantial economic benefits to India's ship recycling industry but also reinforce

Alang's position as a leader in sustainable ship recycling. With its vast experience, upgraded infrastructure, and dedication to environmental responsibility, Alang is poised to set new standards in the global ship recycling industry while addressing the growing demand for responsible vessel dismantling.

As the festive season approaches, market activity is expected to remain subdued in the coming weeks. A clearer picture is likely to emerge only after the Diwali holidays.

Anchorage & Beaching Position (September 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
BEREG MATCHY	REEFER	7,263	26.08.2024	AWAITING*
CAPT.OSAMA	GENERAL CARGO	5,207	21.10.2024	AWATIING
TANA	GENERAL CARGO	7,214	25.10.2024	AWAITING
MSC EYRA	CONTAINER	10,655	25.10.2024	AWAITING
HAI BO	BARGE	8.678	13.10.2024	AWAITING
HAI TUO	PUSHER TUG	1,721	13.10.2024	AWAITING
ALMUNTAZAH	TANKER	3,313	20.10.2024	23.10.2024
ANDULUS 1	BULKER	6,064	12.10.2024	17.10.2024
MY MERAY	BULKER	6,925	07.10.2024	16.10.2024
GREEN MALOY	REEFER	2,975	10.10.2024	17.10.2024
YU HAI BO	BARGE	8,691	07.10.2024	10.10.2024
YU HAI TO	PUSHER TUG	1,721	07.10.2024	10.10.2024
MSC ADELE	MPP	8,800	05.10.2024	09.10.2024
DIVO	FISH FACTORY	26,136	03.10.2024	06.10.2024
UNI III	CONTAINER	7,098	03.10.2024	05.10.2024

Chattogram, Bangladesh

The ship recycling market has come to a near standstill, with only a handful of recyclers expressing interest in new purchases. Amid political turmoil and the establishment of an interim government, business operations across the country have been severely disrupted.

Key challenges have resurfaced, notably in the issuance of letters of credit, which only a select few recyclers are able to secure on a case-by-case basis. Meanwhile, environmental agencies have intensified their scrutiny, cracking down on substandard recycling yards. Adding to these woes, domestic ship scrap prices have weakened significantly, falling daily due to exceptionally poor local demand.

Over recent weeks, the market has witnessed a complete lull, with obtaining offers for vessels becoming increasingly difficult. Compounding this, many yards that received notices to upgrade their facilities to meet SRPF (Ship Recycling Facility Plan) standards are struggling to address compliance issues, casting doubt on their import permits.

Until the country's situation stabilises, the recycling industry is expected to remain on the sidelines, with minimal buying activity.

Anchorage & Beaching Position (September 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
MS GAS	LPG	1,099	20.10.2024	AWAITING
HARMONY 1	BULKER	10.317	17.10.2024	21.10.2024
PK 10	TANKER	724	13.10.2024	14.10.2024
ION	TANKER	23,236	08.10.2024	15.10.2024

Gadani, Pakistan

The demand for ships continues to rise, yet prevailing prices remain insufficient for conducting substantial business. A significant gap persists between current prices and domestic market fundamentals, leaving many in the industry hesitant to make moves. Meanwhile, the majority are content to wait for clearer market directions, turning to imported ferrous scrap as an alternative resource.

Anchorage & Beaching Position (September 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

Aliaga, Turkey

The Turkish scrap market is witnessing a period of price stagnant in domestic procurement as import prices show signs of softening amid subdued buying interest. There was little activity to report this week, with no new sales recorded.

Market dynamics are further complicated by weakening rebar prices and stagnant sales, with Turkish mills exerting downward pressure on scrap values. While most suppliers resist further price declines, the presence of distressed cargoes could influence market direction.

Additionally, domestic Turkish shipbreaking scrap prices have adjusted downward to US$365/t delivered, reflecting broader market conditions as the Turkish currency settled at TRY 34.29/dollar at closing.

BEACHING TIDE DATES 2024

Chattogram, Bangladesh	:	30 October – 2 November | 14 – 17 November
Alang, India	:	31 October – 7 November | 14 – 21 November

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	HSFO (3.5%)	MGO (0.1%)
SINGAPORE	595	488	645
HONG KONG	587	492	650
FUJAIRAH	575	480	750
ROTTERDAM	538	495	690
HOUSTON	535	480	670

EXCHANGE RATES			
CURRENCY	October 25	October 18	W-O-W % CHANGE
USD / CNY (CHINA)	7.12	7.10	-0.28%
USD / BDT (BANGLADESH)	119.56	119.60	+0.03%
USD / INR (INDIA)	84.08	84.06	-0.02%
USD / PKR (PAKISTAN)	277.63	277.87	+0.09%
USD / TRY (TURKEY)	34.29	34.23	-0.18%

Sub-Continent and Turkey ferrous scrap markets insight

The Sub-Continent and Turkey scrap markets experienced sluggish activity, with limited interest from buyers in India, Pakistan, and Bangladesh. Price discrepancies, high inventories, and weak steel market sentiment kept new bookings at bay.

Trade activity in India remained minimal as buyers exercised caution amid a slowdown in the domestic steel market. The market was further impacted by regional disruptions, including a cyclone in some areas and the upcoming Diwali festival. A US$5-8/ ton gap between buyer bids and seller offers contributed to the lack of interest in imported scrap. Indicative offers for shredded scrap from the U.S. and Europe stood at US$395-398/ton CFR Nhava Sheva, while buyers targeted US$390-392/ton CFR. Offers for HMS (80:20) from Europe and West Africa were quoted at US$375-380/ton CFR, with buyers seeking prices below US$370/ton CFR.

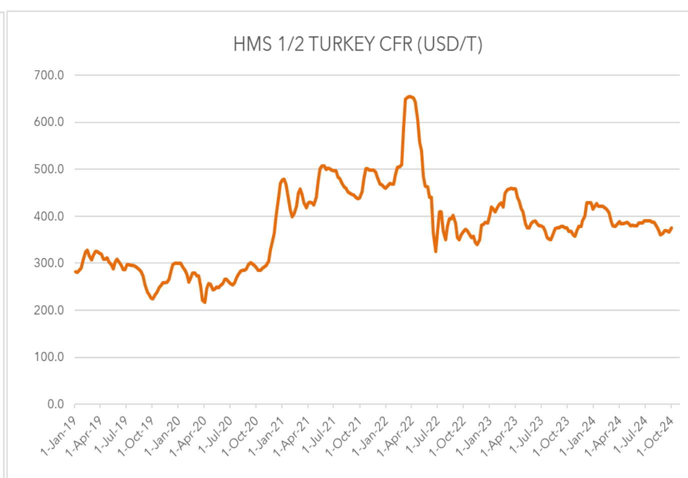
In Pakistan, fresh scrap arrivals were met with limited demand, as previously booked shipments continued to arrive at more competitive rates. Fresh offers for scrap were heard at US$395-398/ton CFR Qasim, while buyer bids were around US$390-392/ton CFR. One steel mill official noted, "A lot of material has been arriving recently, but many are struggling to release it and are offering at significantly lower prices due to cash flow issues. While offers are around US$400/ton, we managed to buy some quantity at US$385/ton."

Bangladesh’s scrap buying activity remained minimal, with major buyers staying inactive for the past two months due to ample inventories and weak steel market sentiment. Offers for shredded scrap from Australia and New Zealand were in the range of US$400-405/ton CFR Chattogram, but buyers were looking for prices closer to US$395-400/ton CFR. HMS (90:10) scrap from South America was offered at US$355-365/ton CFR.

The Turkish imported scrap market remained stagnant, with no significant deals or price movements. Mills in Turkey were hesitant to commit to new scrap bookings, expecting lower prices in light of slow domestic rebar sales. Despite mills’ efforts to pressure scrap prices downward, U.S. and European sellers held firm, citing strong domestic markets and high collection costs. As a result, the market remained at a standstill.

The outlook across these regions remains bearish, as buyers continue to wait for more favourable conditions while sellers resist lowering prices.

HMS 1/2 & Tangshan Billet



Commodities

Market sentiment took a hit after strong U.S. economic data dampened expectations for an aggressive rate-hike cycle by the Federal Reserve. However, ongoing supply issues in the metals sector helped cushion the losses.

Base metals saw significant gains during Asian trading, with supply constraints remaining a central focus. Zinc led the rally, driven by Teck Resources' decision to lower its output targets after a fire at its Canadian smelter. The company now expects refined zinc production to be 12% lower than previously forecasted. While the 40,000-tonne cut is relatively modest, it adds to broader disruptions across the market. Global zinc mine production declined by 4.2% in the first eight months of the year, according to the International Lead & Zinc Study Group. Adding to supply woes, Sibanye Stillwater recently announced that operations at its Century zinc mine in Australia will be suspended until mid-November due to equipment damage from a bushfire.

Meanwhile, concerns are also growing in China as weak treatment charges and a tight copper concentrate market put pressure on the sector. Ge Honglin, Chairman of the China Nonferrous Metals Industry Association, suggested that China should impose restrictions on copper production to prevent further profit declines. China's copper capacity is expected to rise to 17 million tons by 2027, up from 14.3 million tons this year, potentially exacerbating global overcapacity.

Iron ore inched higher as the market awaits China's legislative meeting for potential stimulus measures. However, current data indicates that demand remains sluggish. Inventory levels at major Chinese steel mills increased by 4.96% to 15.5 million tons in mid-October compared to earlier in the month, though volumes remain 6.4% lower than the same period last year. Daily crude steel production at major mills saw a modest 1.1% increase in mid-October, reaching 2.07 million tons per day.

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)	99	-1.0%	-17.5%	100	120
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	101	-5.60%	-16.52%	107	121

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	437.00	+1.85	+0.43%	Dec 2024
3Mo Copper (L.M.E.)	USD / MT	9,507.00	-14.50	-0.15%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,650.00	-19.50	-0.73%	N/A
3Mo Zinc (L.M.E.)	USD / MT	3,174.50	+30.50	+0.97%	N/A
3Mo Tin (L.M.E.)	USD / MT	31,135.00	+229.00	+0.74%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	71.24	+1.05	+1.50%	Dec 2024
Brent Crude (ICE.)	USD / bbl.	75.49	+1.11	+1.49%	Dec 2024
Crude Oil (Tokyo)	J.P.Y. / kl	70,470.00	-330.00	-0.47%	Oct 2024
Natural Gas (Nymex)	USD / MMBtu	2.49	-0.03	-1.23%	Nov 2024

Note: all rates as at C.O.B. London time October 25, 2024

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