



WEEKLY REPORT

WEEK 51 – December 21, 2024

This week, the Federal Reserve has implemented a 25-basis point interest rate reduction, establishing a new target range of 4.25%-4.50%, marking a return to levels not seen since December 2022. While this adjustment was anticipated by markets, the Federal Reserve has adopted a more conservative stance toward future rate adjustments, indicating only two potential reductions in 2025. Jerome Powell characterised this decision as a carefully weighted consideration, reflecting the delicate balance between managing inflation risks and sustaining economic growth, which is forecasted to reach 2.5% in 2024 before moderating in subsequent years.

This monetary policy shift carries significant implications for the maritime sector. The reduction in interest rates is expected to enhance access to capital financing, potentially facilitating fleet expansion and supporting crucial sustainability initiatives within an industry facing increasing pressure to decarbonise.

The Fed's optimistic economic growth projections suggest potential increases in trade volumes, which could strengthen freight demand and port activity. However, the rise in Treasury yields following the announcement indicates a measured market response, which will likely influence freight rates and chartering strategies in the coming quarters.

While lower financing costs present opportunities for strategic investments, persistent inflation concerns above the Fed's 2% target could impact operational costs, particularly in fuel prices. This environment requires shipping companies to maintain a careful balance in their financial and operational planning, considering both the immediate benefits of reduced borrowing costs and the potential challenges of ongoing inflationary pressures.

The industry's response to these conditions will be crucial in determining how effectively it can capitalize on growth opportunities while managing cost pressures in the evolving economic landscape.

Dry Bulk

The Baltic Exchange's dry bulk market continues to face headwinds, with the index falling to a 17-month low on Thursday. BDI declined by 52 points to 976, marking its weakest performance since July 2023.

The most significant decline was observed in the Capesize segment, where the index fell 158 points to 1,079, reaching levels not seen since September 2023. Their average daily earnings decreased by US\$1,316 to US\$8,945. This downturn coincides with falling iron ore futures, influenced by concerns over Chinese demand and uncertainty surrounding the U.S. Federal Reserve's interest rate policy for the coming year.

The market presented a mixed picture across other vessel categories. Panamax showed some resilience, with its index rising modestly by 7 points to 964, accompanied by a slight increase in average daily earnings to US\$8,681. Supramax, however, continued to struggle, with its index dropping 3 points to 944, touching its lowest level since August 2023.

Capesize:

in the Pacific and North Atlantic regions, persistent cargo weakness continues to challenge the market. Despite already depressed rates, vessel owners eager to secure their next fixtures are accepting even lower rates, contributing to a sustained period of unusual market dynamics where Supramax vessels are commanding higher rates than larger units. Pacific r/v fell to a low of US\$6,100's a day at closing.

Panamax/Kamsarmax:

In the Atlantic, T/A routes maintain their momentum, buoyed by consistent cargo flows. However, F/H are facing headwinds due to weakening cargo volumes from S. America. The Pacific market continues to navigate through difficult conditions, with vessel owners increasingly willing to negotiate lower rates to secure future bookings amid a scarcity of new cargo opportunities. Pacific r/v at closing saw levels touched US\$5,500's a day.

Supramax/Ultramax:

Despite weakness in larger vessel segments due to sluggish cargo inflow and typical end-of-year holiday slowdown, the Supramax segment has maintained a relative stable across both basins. T/A settled at the end of the week at US\$ 19,350 a day, a substantially higher taking compared to the bigger units on similar routes.

Handysize:

While cargo inflow from the USG has shown slight improvement, overall market sentiment remains weak with continued sluggish cargo movement. Pacific, on the other hand, maintained its downward trajectory with limited cargo activity. Heavy rainfall in Indonesia saw Inter Pacific record rates at US\$7,600's a day.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	990	1,051	2,087	-5.80%	-52.56%
BCI	1,115	1,263	3,361	-11.72%	-66.83%
BPI	976	995	1,915	-1.91%	-49.03%
BSI	940	959	1,378	-1.98%	-31.79%
BHSI	579	618	888	-6.31%	-34.80%

Dry Bulk Values

(Weekly)

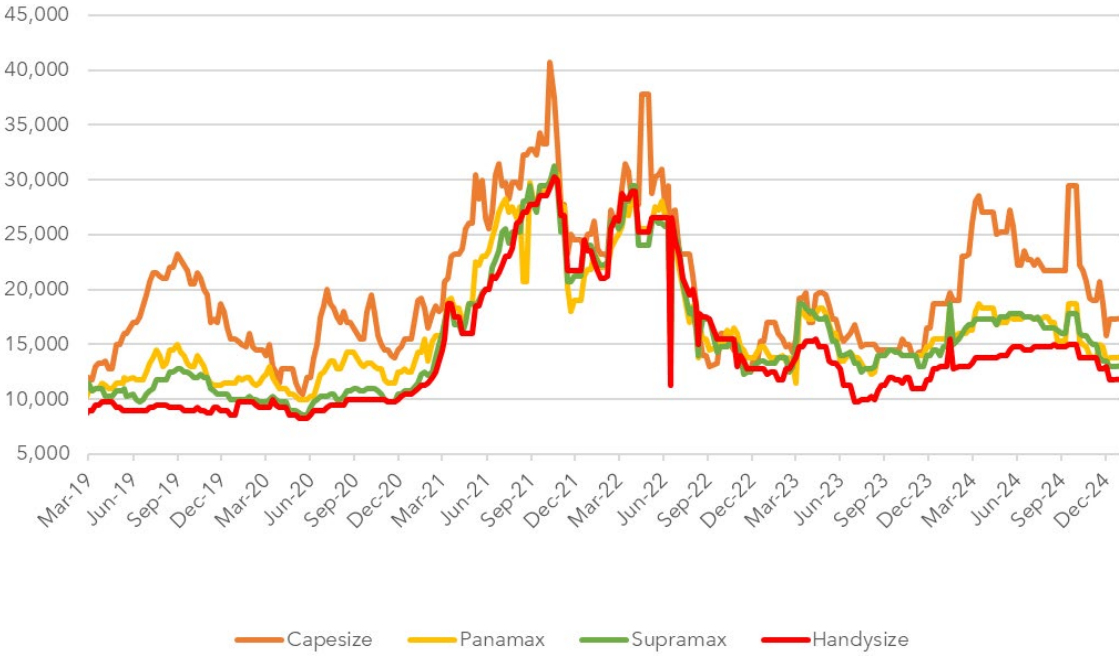
TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	74	75	62	44	27
KAMSARMAX	82,000	36	42	36	27	17
SUPRAMAX	56,000	33	39	34	25	15
HANDY	38,000	29	33	27	20	12

*(amount in USD million)

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
FEG SUCCESS	CAPE	182,619	2010	JAPAN	28.2	KOREA LINE CORP
ZAMPA BLUE	CAPE	178,459	2011	JAPAN	30.0	UNDISCLOSED
JPS BARCELONA	SMAX	55,548	2010	VIETNAM	12.0	UNDISCLOSED
GLOBAL SAIKAI	SMAX	51,828	2007	JAPAN	12.0	UNDISCLOSED
AKDENIZ-M	HANDY	32,178	2002	JAPAN	6.5	VIETNAMESE BUYERS

Dry Bulk 1 year T/C rates



Tankers

The potential slowdown in China's economic growth poses significant implications for global oil demand as the world's largest crude oil importer struggles to return to its previous 7%+ growth rate. With Beijing's unprecedented shift to "appropriately loose" monetary policy for 2024, there are growing concerns about the strength of Chinese oil demand, which has historically been a key driver of global energy markets. The property sector's troubles, representing 25% of China's economy, and declining consumer confidence could further dampen energy consumption patterns, particularly affecting industrial and transportation fuel demand.

The prospect of escalating U.S.-China trade tensions under a potential second Trump presidency adds another layer of uncertainty. Higher tariffs, potentially rising from 13% to 22% or even higher, could significantly impact Chinese manufacturing activity and export volumes, traditionally major drivers of the country's oil consumption. This trade friction, combined with China's domestic economic challenges, could lead to more volatile oil price movements as markets adjust to changing demand patterns from the world's second-largest economy.

The broader implications extend beyond just demand concerns. China's massive economic challenges, including over US\$4 trillion in nonperforming loans and substantial local government debt, could force Beijing to adjust its energy procurement strategies. While Chinese refiners might seek to maintain high run rates to generate export revenue through refined products, overall crude import growth could moderate if domestic consumption weakens. This situation is particularly significant for global oil markets given that China's economic health has been a crucial factor in growth forecasts, and any sustained slowdown could force a reassessment of global oil demand projections for 2024 and beyond.

VLCC:

Middle East market continues to experience vessel congestion as Chinese demand remains stagnant. Older units are accepting the charterers' low freight demands and have also pushed rates below WS40, reaching a yearly low. 270,000mt MEG/China close at WS39.

Suezmax:

The West African market closed with a 6-point decline as charterers delayed their activities, concerned about the previous week's increase. 130,000mt Nigeria/UKC fell to WS81. The market outlook remains slightly bearish with the weakness in VLCC. In the MEG,

140,000mt to the Mediterranean close at WS90.

Aframax:

Despite some new cargo entries, the Middle East market finished weaker due to accumulated vessel availability and negative pressure from larger vessels. In the Mediterranean, 80,000mt Ceyhan/Lavera improved 8 points to WS152. The market is expected to remain soft in the near term.

Clean:

LR: LR2 in the Middle East showed an uptick early in the week, supported by fixtures for the remaining December cargoes. However, momentum slowed by mid-week as chartering activity eased. In LR1, TC16 ARA/West Africa remains at WS129.

MR: MR in the Far East showed resilience, with private fixtures lessening vessel availability and supporting freight rates. MEG also remained positive this week. TC17 MEG/East Africa climbed some 9 points to WS210.

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	914	929	1,197	-1.61%	-23.64%
BCTI	627	661	963	-5.14%	-34.89%

Tankers Values

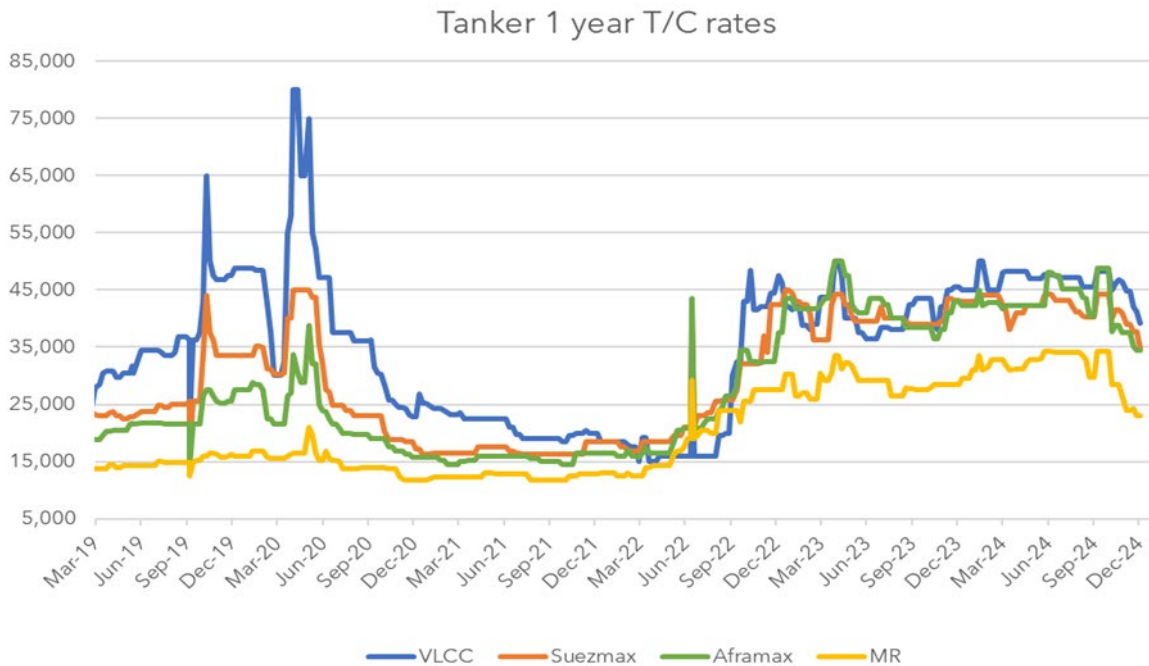
(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	128	143	114	84	56
SUEZMAX	160,000	89	97	82	66	49
AFRAMAX	115,000	74	85	71	60	43
LR1	73,000	61	67	57	47	31
MR	51,000	51	52	49	40	27

*(amount in USD million)

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
DHT SCANDINAVIA	VLCC	317,826	2006	S. KOREA	43.2	CHINESE BUYERS
VALLE DI GRANADA	MR	40,218	2005	S. KOREA	13.5	UNDISCLOSED
BOW AQUARIUS / BOW GEMINI / BOW HERCULES / BOW EXPLORER / BOW EXCELLENCE / BOW PERSISTENT / BOW PROSPER	MR	40,900 ~ 36,221	2016 ~ 2020	CHINA / JAPAN	N/A (STAINLESS STEEL)	ODJFELL



Containers

Global shipping rates, particularly on the SCFI, have seen significant increases driven primarily by the upcoming GRI implementation in mid-December and a surge in pre-Lunar New Year cargo volumes from Asia to North America. The global freight market demonstrated varying trends this week, with the SCFI index showing a modest uptick to 2,390 points despite softening rates on the Far East-Europe route, where Shanghai-North Europe westbound rates declined 1% to US\$2,946/TEU.

Transpacific eastbound trade showed more strength, with Shanghai-US West Coast rates increasing 4% to US\$4,198/FEU.

U.S. retailers are proactively securing inventory for the year-end consumer season, with fourth-quarter volumes projected to increase by approximately 11% compared to the previous year. This increase is largely attributed to concerns over potential ILA strikes and possible tariff increases in January 2025. Looking ahead, market observers anticipate shifts in supply chain stability as Trump's potential presidency approaches, particularly regarding labour relations and tariff policies.

Containers S&P Report

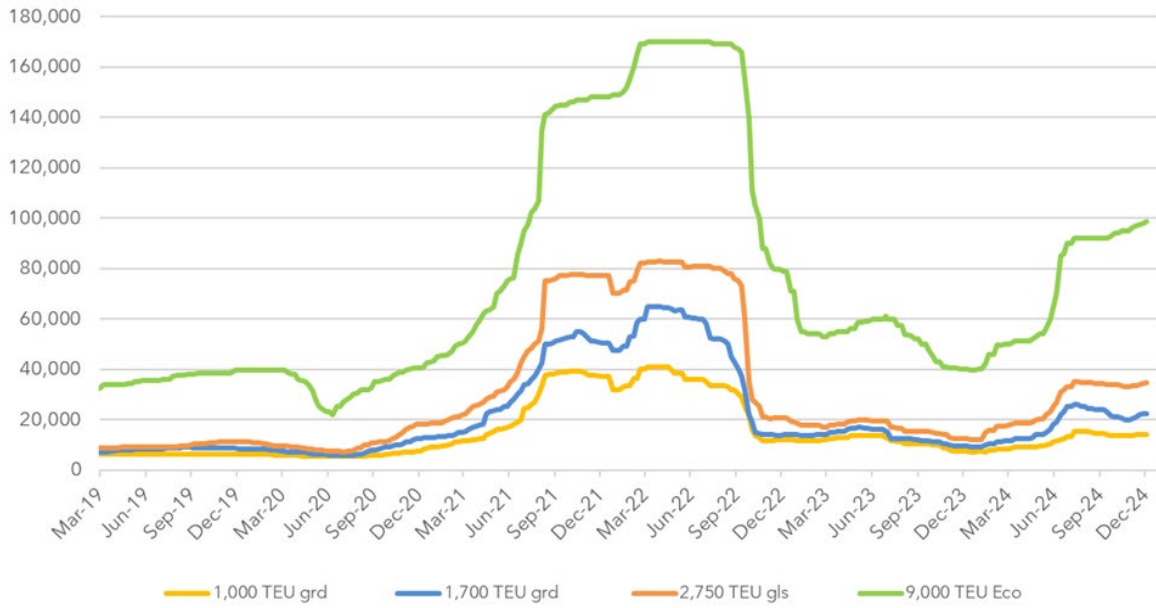
VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
GABRIELA A	SUB PMAX	2,702	2005	GERMANY	19.3	CHINESE BUYERS
HELENA SCHEPERS / KATHRINA SCHEPERS	FEEDER	1,036	2012	CHINA	N/A	UNDISCLOSED

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

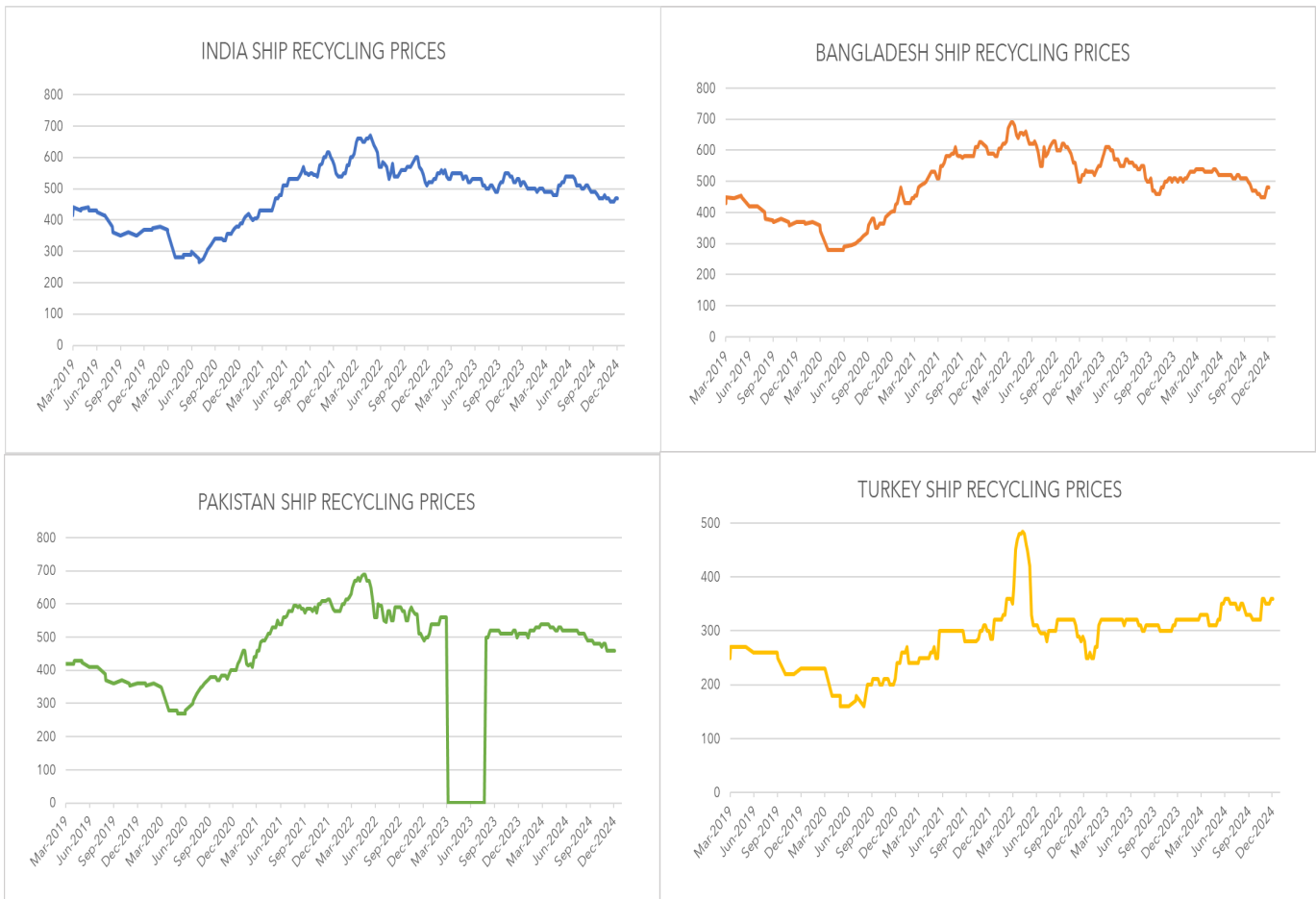
(Week 51)

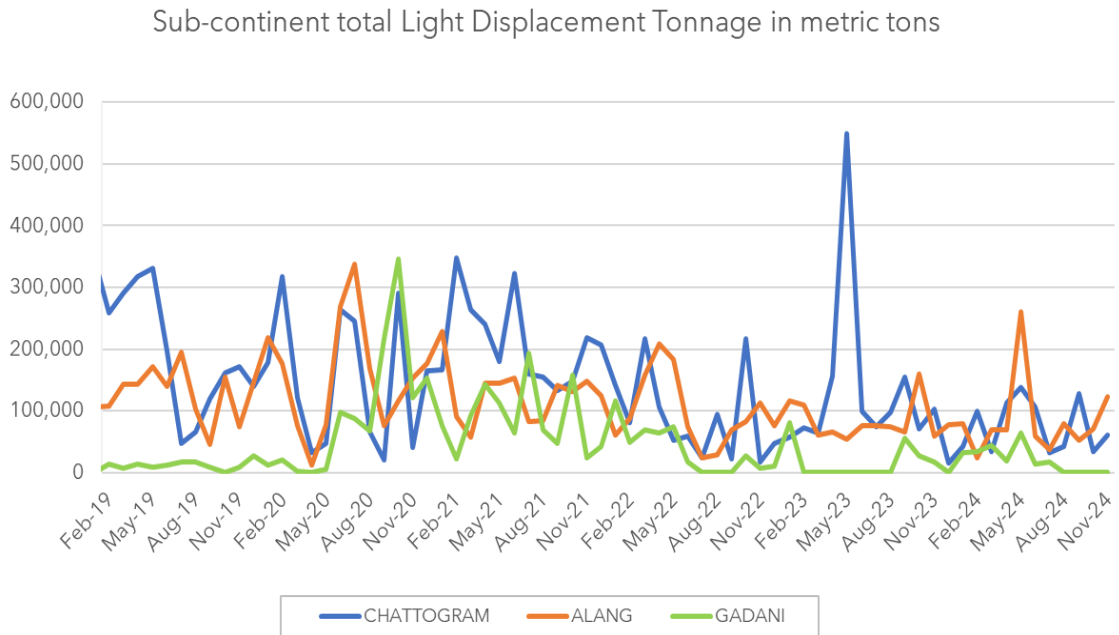
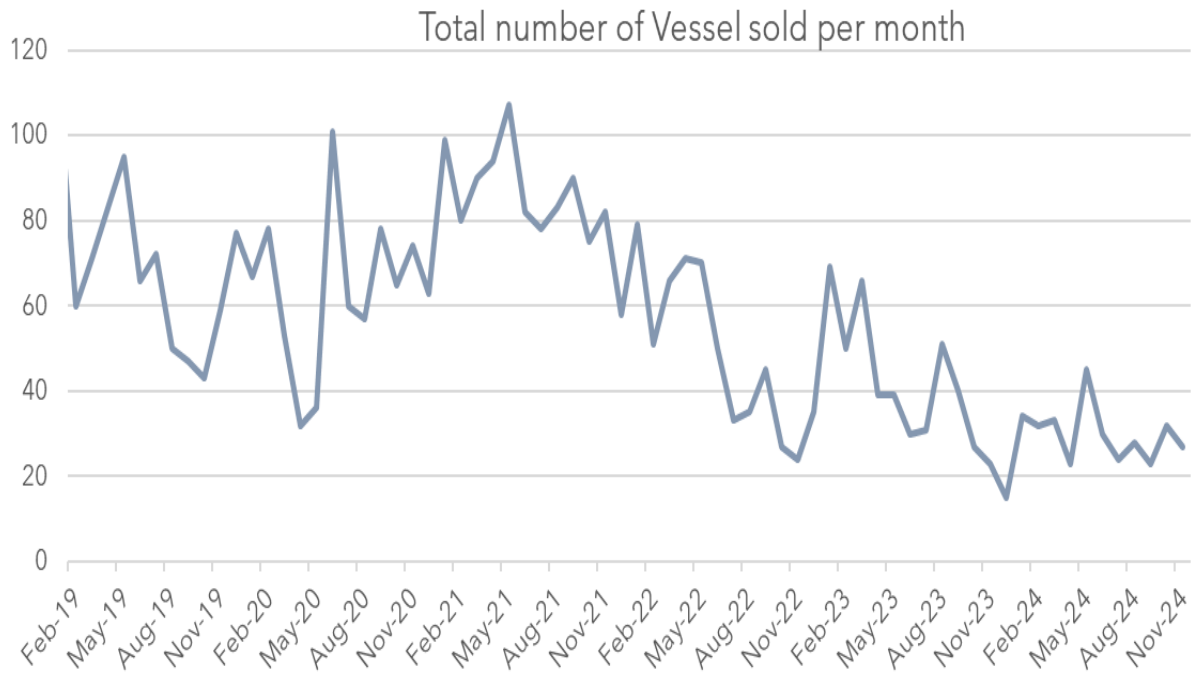
DESTINATION	2019	2020	2021	2022	2023
ALANG, INDIA	425	270	770	570	530
CHATTOGRAM, BANGLADESH	420	300	790	590	560
GADDANI, PAKISTAN	410	305	800	580	520
ALIAGA, TURKEY	270	210	240	300	320

Ships Sold for Recycling

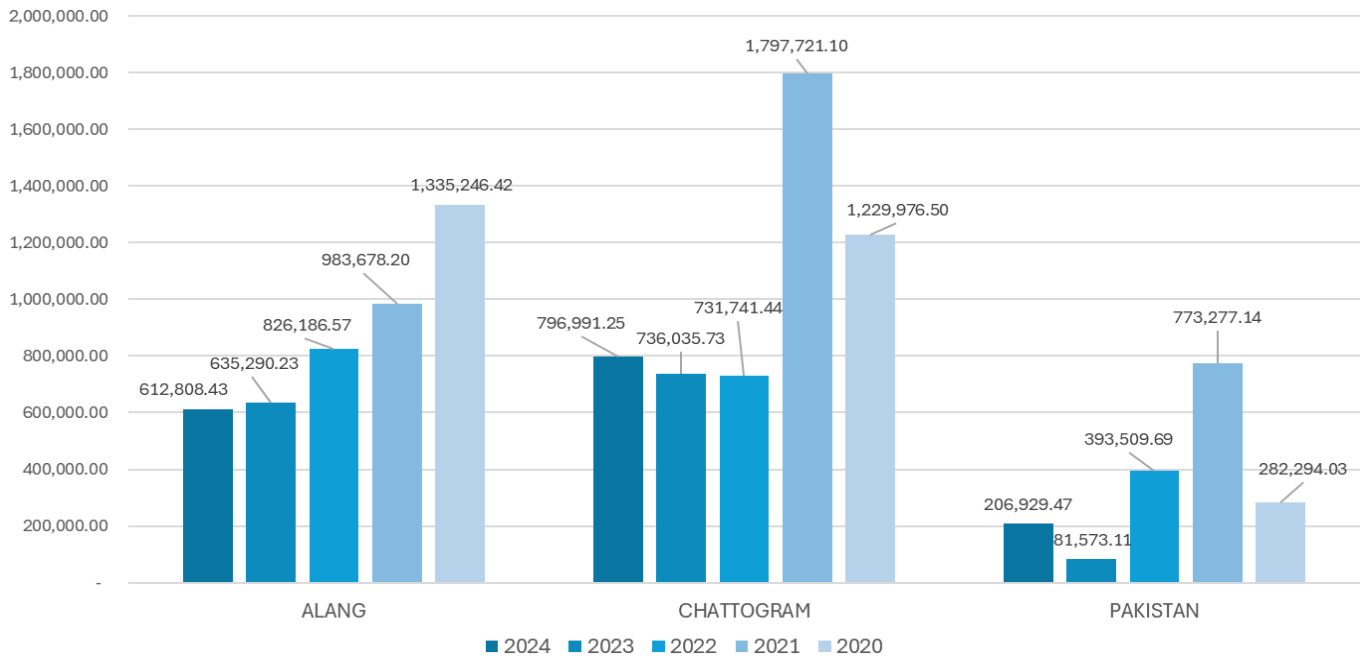
VESSEL NAME	LDT	YEAR / BUILT	TYPE	PRICE (USD/LDT LT)	COMMENTS
BOW CLIPPER	11,332	1995 / UK	CHEM TANKER	970	DELIVERED TO SPECIFIC APPROVED YARDS IN ALANG. HIGH STAINLESS STEEL CONTENT
AMOR	40,584	2000 / JAPAN	VLCC	UNDISCLOSED	DELIVERED ALANG

Recycling Ships Price Trend





**COMPARISON OF TOTAL LIGHT DISPLACEMENT TONNAGE (LDT) SOLD
5 YEARS (January ~ November)**



Insight

The ship recycling markets across the Sub-continent displayed mixed reactions this week, with overall sentiment remaining subdued as the year-end draws near. Recyclers are paying close attention to the dry bulk segment, which continues its downward trajectory. This trend is fueling expectations that a long-anticipated influx of end-of-life could soon materialise, shaping up the price dynamics.

On the pricing front, markets appear to have stabilised at the prevailing rates for the time being, with most ship recyclers believing that prices have bottomed out. However, new concerns, post-FED decision, persist over the strength of the US dollar, which is now becoming a key factor and under close scrutiny. Market players are adopting a cautious approach as they navigate these uncertain conditions.

For the time being, the persistent shortage of end-of-life vessels continues to challenge the ship recycling market. In a rare transaction within the current constrained environment, the VLCC Amor (built in 2000 in Japan, weighing 40,584 tons) has reportedly been sold to the Alang recyclers. This marks the first VLCC sale to India since March 2020. In addition to this, there are a few more VLCCs placed in the market, and the coming week should give some clues on their sales.

Alang, India

This week saw sharp fluctuations in domestic ferrous scrap prices, prompting varied responses from recyclers. Purchases were largely need-based, with prices reflecting current market conditions rather than speculative buying.

A key topic of discussion was the continued decline in dry bulk indices, which has rekindled optimism across the industry. Recyclers anticipate a significant easing in ship supply by 2025, a development that could establish a new pricing trend and reshape the dynamics of the sector.

The domestic steel industry may see some relief as the Indian government is likely to impose a 25% safeguard duty on steel imports, following a proposal by the steel ministry aimed at curbing cheaper-origin imports, such as from China, according to Reuters. During a 17 December meeting chaired by Commerce Minister Piyush Goyal, the proposal gained significant support, with assurances to small manufacturers that they would not face higher domestic steel prices.

With HKC coming into force in June 2025, the industry estimates 15,000 ships will need recycling over the next decade, averaging about 1,500 ships annually. Maersk, the world's second-largest container carrier, has voiced significant concerns about this challenge, particularly regarding post-Panamax vessels. At a recent BIMCO panel discussion in Mumbai, Capt Prashant, Maersk's Head of ESG & Public Affairs for South Asia, emphasized that the industry faces not just capacity issues but also capability challenges in meeting HKC standards.

Currently, Alang can process 4.5 million tons of steel annually from ship recycling, with plans to double this capacity to 9 million tons. Over 114 yards at Alang already comply with HKC standards, and Maersk has successfully recycled more than 20 ships at a dozen yards there. However, the facility's draft limitations create complications for larger vessels. While Maersk continues to recycle Panamax vessels at Alang, they express concerns about the current practice of beaching post-Panamax ships at a distance and pulling them to recycle plots during high tide, citing environmental and safety considerations.

Local industry experts and officials present a more optimistic view of Alang's capabilities and future potential. The Gujarat Maritime Board is working to enhance the facility's infrastructure by reviewing policies to allow for larger plot sizes through amalgamation, moving away from the current 150-meter restriction. This adaptation aims to accommodate vessels of varying sizes based on specific requirements.

The Bansal Group has successfully demonstrated this by recycling Asia's largest post-Panamax container ship, weighing 34,000 tons, at their Alang facility. They argue that while the initial beaching might occur at a distance, the high tide method has proven effective for bringing vessels to shore safely.

The primary limitation at Alang relates not to the length of vessels but to their width, which must align with the operational yards' dimensions. With proper planning and timing, Alang can accommodate larger vessels within its existing infrastructure.

Anchorage & Beaching Position (DECEMBER 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
BEREG MATCHY	REEFER	7,263	26.08.2024	AWAITING*
PRINCE 4	BULKER	2,860	18.12.2024	AWAITING
TANTO	CONTAINER	4,218	10.12.2024	14.12.2024
MSC AUGUSTA	CONTAINER	8,800	10.12.2024	14.12.2024
BOSS 7	GENERAL CARGO	4,713	30.11.2024	14.12.2024
SEAGRAND	GENERAL CARGO	3,593	08.12.2024	13.12.2024
NEW SKY	REEFER	2,410	07.12.2024	12.12.2024
A STAR	RIG	14,856	30.11.2024	01.12.2024
HUMPBACK WHALE	FISHING	3,869	02.12.2024	06.12.2024
PROFORIY CHANCHIBADZE	FISHING	3,909	04.12.2024	07.12.2024

Chattogram, Bangladesh

Market sentiment has turned increasingly cautious, with buyers adopting a selective approach amid growing uncertainty. Ship recyclers are proceeding with restraint, showing little urgency to make aggressive purchases as the year winds down. Local ship scrap prices have experienced slight corrections, reflecting weakening underlying demand.

Notably, several vessels sold recently at premium prices have yet to secure end-buyers. Industry participants remain focused on shipping trends, anticipating that a significant decline in freight rates by early 2025 could ease supply pressures. Many are adopting a wait-and-watch stance to gauge the market's reaction in the coming months.

After a challenging 2024, the IMF's projections offer renewed optimism for Bangladesh's economy. The IMF projects Bangladesh's economic recovery in FY26, with inflation easing

and growth rebounding. IMF official Chris Papageorgiou highlighted at a press briefing that inflation, expected to stay around 11% in FY25, should decline to 5% in FY26, fostering growth recovery to 6.7%. However, FY25 growth is forecasted at 3.8%, affected by disruptions like unprecedented floods and economic imbalances.

Papageorgiou emphasised structural issues driving food inflation and strong demand-side pressures. He noted persistent high inflation, double digits as of November, is straining the balance of payments and reserves, which have plummeted from US\$50 billion to US\$20 billion over three years.

The IMF criticised underreported non-performing loans (NPLs) in the banking sector despite government reform efforts. Challenges include global shocks, supply chain disruptions, and domestic unrest. The IMF program aims to stabilise the economy, restore sustainable growth, and address structural vulnerabilities for long-term resilience.

Anchorage & Beaching Position (DECEMBER 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
ASIA 10	MPP	2,413	12.12.2024	15.12.2024
CORAL	LNG	30,193	10.11.2024	11.12.2024
ARMADA SEIATI	CONTAINER	3,321	05.12.2024	11.12.2024
FATIMA SARI	BULKER	8,008	25.11.2024	04.12.2024

Gadani, Pakistan

It has been another depressed week for Pakistani ship recyclers, with limited activity reported in the market. Despite growing interest among recyclers keen to acquire tonnage after an extended period of inactivity, deals remain scarce due to persistent pricing challenges. Gadani recyclers are struggling to compete with their regional counterparts in terms of offering attractive rates, further compounding the frustration of ship-starved buyers.

This disparity in pricing continues to drive potential sellers to neighboring markets such as India and Bangladesh, where stronger offers are prevalent. Pakistani recyclers are caught in a difficult position, as they are unable to align with regional benchmarks, along with the clock ticking, to comply with the HKC certifications prior to June 2025 HKC initiatives.

The ongoing situation underscores the challenges faced by Gadani recyclers, who are trying their best to navigate rising competition in limited-supplied markets. Until pricing parity is achieved, Pakistan's recycling yards are likely to remain stagnant.

Anchorage & Beaching Position (DECEMBER 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

Aliaga, Turkey

Turkish steel mills have adjusted their domestic buying prices upward this week, reflecting higher import values in the market. A significant benchmark was set by a German-origin HMS 1&2 80:20 sale at US\$349/ton cfr Turkey, though subsequent transactions have settled at slightly lower levels.

Market sentiment has shifted from earlier optimistic projections of prices reaching the US\$360s, as the presence of abundant offers in the market has contributed to this tempered outlook, with most market participants expecting January-shipment cargoes to remain below the US\$350/ton cfr threshold.

The overall market dynamics remain challenging. Short-sea market activity has stalled due to widening price expectations between buyers and sellers, while Turkish shipbreaking scrap prices have remained unchanged from last week at US\$340/ton delivered.

BEACHING TIDE DATES 2024

Chattogram, Bangladesh : NO TIDES IN DECEMBER

Alang, India : 12 – 20 December

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	HSFO (3.5%)	MGO (0.1%)

SINGAPORE	547	463	673
HONG KONG	572	490	679
FUJAIRAH	541	454	746
ROTTERDAM	513	447	651
HOUSTON	552	452	678

EXCHANGE RATES			
CURRENCY	December 20	December 13	W-O-W % CHANGE
USD / CNY (CHINA)	7.29	7.27	-0.28%
USD / BDT (BANGLADESH)	119.46	119.53	+0.06%
USD / INR (INDIA)	85.12	84.82	-0.35%
USD / PKR (PAKISTAN)	278.0	278.25	+0.09%
USD / TRY (TURKEY)	35.10	34.94	-0.46%

Sub-Continent and Turkey ferrous scrap markets insight

The Indian Sub-Continent imported ferrous scrap market exhibited an upward trajectory in prices, driven by higher offers for EU- and US-origin shredded scrap amid rising collection costs. Turkey, however, remained an exception as prices softened due to bid-offer mismatches and cautious buying.

India: Market Influenced by High Offers and Holidays

Imported scrap offers from European recyclers rose following a high-priced Turkish deal earlier in the week. Shredded scrap was reported at US\$390-393/ton CFR Nhava Sheva, with dock collection prices climbing to EUR 282-283/ton, reflecting a week-on-week increase of EUR 7-8.

Meanwhile, shredded scrap offers from the US were quoted at US\$392-395/t, but negotiations stalled as buyers hesitated and sellers resisted price reductions. PNS scrap was priced at US\$390/ton CFR Mundra, with sellers seeking US\$397/ton, creating a US\$7/ton bid-offer gap.

Market participants remain wary of the potential impact of safeguard duties, which could disrupt trade by benefitting local steelmakers while raising steel prices for industries, especially MSMEs.

Pakistan: Modest Activity Amid Higher Costs

The Pakistani imported scrap market showed signs of recovery, with suppliers quoting US\$395-400/ton CFR Qasim for shredded scrap, reflecting increased collection costs. Buyers negotiated for bulk orders at US\$385-388/ton, while smaller lots (500 tons) were only available at prices above US\$390/ton.

Bangladesh: Buyers Stay on the Sidelines

In Bangladesh, imported scrap prices saw slight movements, though trade activity remained muted due to buyers' reluctance. EU-origin shredded scrap offers ranged between US\$395-400/ton, while HMS was offered at US\$375/ton CFR. However, buyers countered with US\$15-20/ton lower bids, which failed to garner supplier interest.

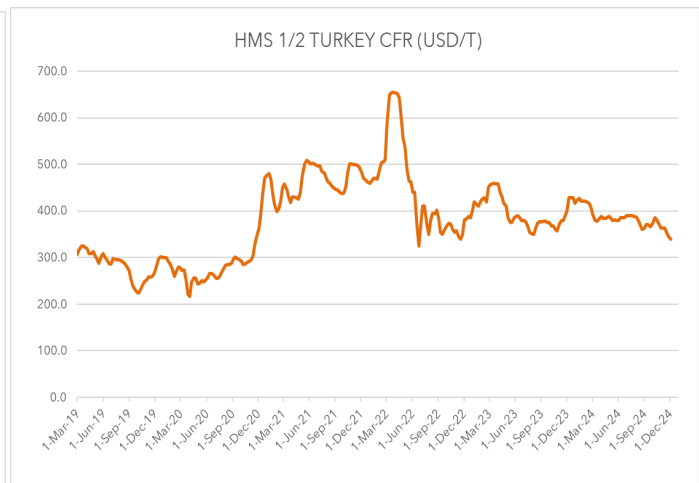
Domestic scrap prices dropped to BDT 46,000-47,500/ton, down from the previous week's BDT 48,000-48,500/ton. Rebar prices in Dhaka stood at BDT 77,000/ton, with prices in Chattogram BDT 4,000/ton higher. A leading mill official said, "We are waiting for clearer price direction in early January."

Turkey: Softer Market on Cautious Buying

In Turkey, imported scrap prices weakened amid bid-offer disparities. EU/Benelux-origin HMS (80:20) scrap was traded at US\$345-346/ton CFR, while premium US/Baltic-origin HMS (80:20) scrap ranged between US\$350-355/ton CFR. Seller targets for US/Baltic-origin HMS stood at US\$355-360/ton CFR.

A Turkish mill source stated, "We've made our purchases and are out of the market for now. Prices are high and could come under pressure soon." Mills largely adopted a wait-and-see approach, anticipating further price corrections due to slower rebar sales.

HMS 1/2 & Tangshan Billet



Commodities

Iron ore markets experienced a notable downturn at closing, reflecting growing concerns about Chinese demand and shifting expectations around U.S. monetary policy. The decline was evident across major trading venues, with China's Dalian Commodity Exchange (DCE) seeing its most actively traded May iron ore contract fall 1.08% to 778.5 yuan (US\$106.66) per metric ton, touching its lowest level since November 22. Similarly, the benchmark January contract on the Singapore Exchange declined 0.43% to US\$102.25 per ton.

Navigate Commodities provides insight into this correction, noting it was largely anticipated following what he describes as a "sentiment-driven bubble" around China's Central Economic Work Conference. The lack of concrete stimulus measures until March 2025 has contributed to market uncertainty. Adding to these pressures, the industry is experiencing what analysts call "a perfect storm" of shifting fundamentals, with BHP resuming operations at its South Flank mine in Western Australia while Chinese mills appear to be reducing production.

This situation, combined with the Federal Reserve's more conservative outlook for rate cuts in 2024, has created broader pressure across the commodities sector. The impact is visible in related markets, with steelmaking materials showing widespread declines in DCE - **coking coal** fell 3.65% and **coke** dropped 0.9%. The Shanghai Futures Exchange similarly reflected this downward trend across most steel benchmarks, with notable decreases in rebar, hot-rolled coil, and stainless-steel futures.

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)	102	-4.67%	-23.88%	107	134
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	105	-3.66%	-22.79%	109	136

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
-------	-------	-------	--------	---------	----------

Copper (Comex)	USD / lb.	408.65	+0.95	+0.23%	Mar 2025
3Mo Copper (L.M.E.)	USD / MT	8,883.00	-145.50	-1.61%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,507.00	-21.50	-0.85%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,967.00	-28.00	-0.93%	N/A
3Mo Tin (L.M.E.)	USD / MT	28,399.00	-717.00	-2.46%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	68.65	-0.73	-1.05%	Feb 2025
Brent Crude (ICE.)	USD / bbl.	72.16	-0.72	-0.99%	Feb 2025
Crude Oil (Tokyo)	J.P.Y. / kl	70,030.00	+430.00	+0.62%	Dec 2024
Natural Gas (Nymex)	USD / MMBtu	3.65	+0.07	+1.81%	Jan 2025

Note: All rates at C.O.B. London time December 20, 2024



Singapore | London | Dubai

Tel: +65 62277264 / 65 | **Fax:** +65 62277258 | **Email:** snp@starasiag.com | **Web:** www.star-asia.com.sg

(A Member of BIMCO, The Baltic Exchange and Singapore Shipping Association) For [Privacy Policy](#)

This report is performed to the best of our knowledge based on the market conditions prevailing at the time mentioned. The report relates solely to the date/place referred to, and we emphasise that it is a statement of information collected from various market sources. All details above are from information given to us and such information as we have obtained from relevant references in our possession. Still, we can accept no responsibility, and we bear no liability for any loss or damage incurred to any person acting upon this report. STAR ASIA believes the information to be accurate and given in good faith but without guarantee. STAR ASIA will not be held responsible in any way for any action or failure to act based on the information given in this report. The use of the report cannot be reproduced or used without authorisation from STAR ASIA.